BANKING

JOURNAL OF THE
AN BANKERS ASSOCIATION



To the American People:

Your sons, husbands and brothers who are standing today upon the battlefronts are fighting for more than victory in war. They are fighting for a new world of freedom and peace.

We, upon whom has been placed the responsibility of leading the American forces, appeal to you with all possible earnestness to invest in War Bonds to the fullest extent of your capacity.

Give us not only the needed implements of war, but the assurance and backing of a united people so necessary to hasten the victory and speed the return of your fighting men.

William D. Leahy, Dwight D. Eisenhower
Douglas A. MacArthur, C. W. Nimitz, H. H. Arnold

7th WAR LOAN



"MASS PRODUCTION FOR WAR" *was painted by James Sessions at one of Borg-Warner's Norge plants. In peacetime, the great Norge factories at Detroit and Muskegon produce the famed Norge line of Rollator refrigerators, ranges, washers, heating and air-conditioning equipment. Today they are wholly engaged in building war matériel, ranging from intricately fabricated parts to such complex assemblies as Oerlikon gun mounts, undercowling for war planes and gun turrets for fighters, bombers and naval craft.*

Peacetime makers of essential operating parts for the automotive, aviation, marine and farm implement industries and of Norge home appliances.

Someday, when America is again at peace, the nation's industries which have proved so strong in war will produce once more those long-awaited new cars, refrigerators, and innumerable other things we have all been doing without.

In this gigantic peace-time job of re-establishing America's high standard of living, Borg-Warner can be depended upon to make significant contributions of far-reaching effect. As in the past, Borg-Warner will produce, and will help industry to produce, products that benefit "almost every American every day."

In the fields of engineering and large scale manufacture, one guiding principle will, as always, direct the efforts of this group of companies; "design it better, make it better."

In production for war or for peace this motto has always expressed the Borg-Warner ideal, operating for your benefit in that it results in ever better products at ever lower cost.

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These units form Borg-Warner: BORG & BECK • BORG-WARNER INTERNATIONAL • BORG WARNER SERVICE PARTS • B-W SUPERCHARGERS, INC. • CALUMET STEEL • DETROIT GEAR AIRCRAFT PARTS • DETROIT VAPOR STOVE • INGERSOLL STEEL & DISC • LONG MANUFACTURING • MARBON • MARVEL-SCHEBLER CARBURETER • MECHANICS UNIVERSAL JOINT • MORSE CHAIN • NORGE • NORGE MACHINE PRODUCTS • PESCO PRODUCTS • ROCKFORD CLUTCH • SPRING DIVISION • WARNER AUTOMOTIVE PARTS • WARNER GEAR

Just a Minute



Our Cover

WE DEPART from our customary "picture cover" this month to honor the men who fight and the War Bonds that provide them with the tools.

At the suggestion of the National Publishers Association, many national magazines are printing the letter signed by the leaders of America's armed forces, appealing, on the eve of the Seventh War Loan, for the largest possible investment in the bonds.

The fighting man, who so clearly challenges you to *lend* while he *gives*, is the creation of NORMAN MINGO, well known artist.

For information on the extensive part banks and bankers will have in the coming campaign—as in its predecessors—see pages 43 and 114.

For information on the amount *you* should earmark for Seventh War Loan bonds, consult your own conscience.

Seven Decades

SEVENTY years ago this Spring a little group of bank men was working on plans for a "national convention of

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BANKING
JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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BANKING — Published monthly by the American Bankers Association, 22 East 40th Street, New York 16, N. Y., U. S. A. — $3.00 per year.

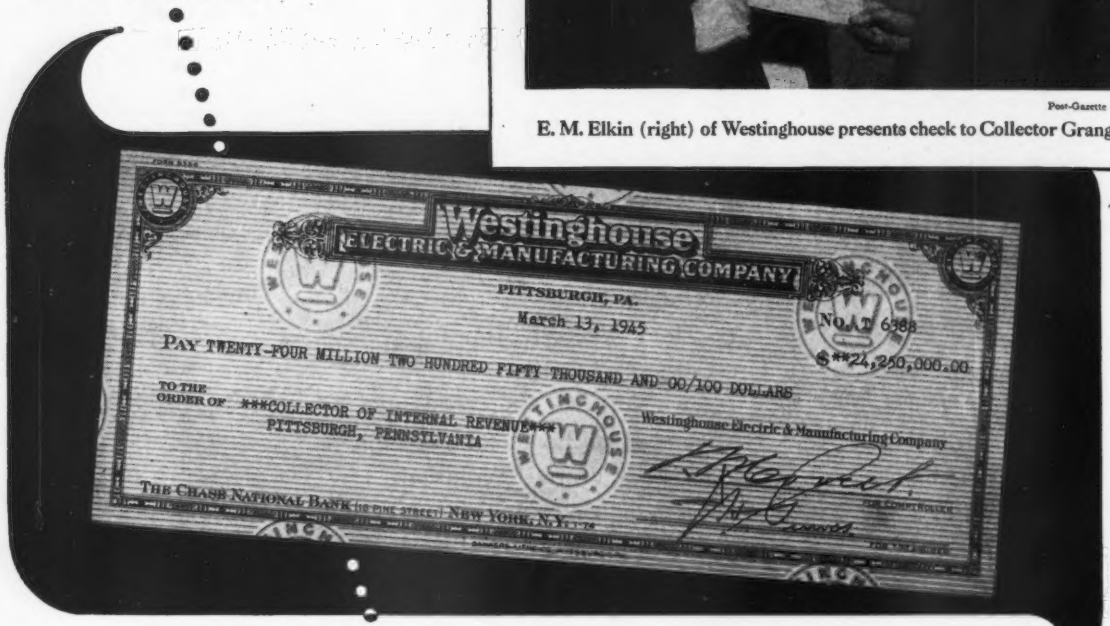
Volume XXXVII, No. 11. Copyright 1945, American Bankers Association, Harold Stonier, Executive Manager. William R. Kuhns, Editor. Assistant Editors, John L. Cooley, Mary B. Leach. Editorial Assistant, Beatrice A. Frear. John J. Rooney, Business Manager. Field Representatives: Prentiss Jackson, Jr., Eastern Advertising Manager; Richard F. Lyon, Eastern Representative, 22 E. 40th St., New York City; Robert W. Kneebone, Western Manager; John J. McCann, Western Advertising Representative, at 105 West Adams Street, Chicago 3, Ill.; Stanley Ikerd, Los Angeles, Cal. Washington office, 719 Fifteenth Street, N. W.; Circulation Manager, Robert J. Stiehl. Subscriptions: $3 yearly; Canada, $3.50; Foreign, $4.00; single copies, 25 cents. Entered as second-class matter May 5, 1909, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Additional entry at Concord, N. H. With the exception of official Association announcements, the American Bankers Association disclaims responsibility for opinions expressed and statements made in articles published in this Journal.

Westinghouse hands Uncle Sam a $24,250,000 Tax Check



Post-Gazette Photo

E. M. Elkin (right) of Westinghouse presents check to Collector Granger



on LaMonte Safety Paper

March 15th, E. M. Elkin, general tax attorney for Westinghouse Electric and Manufacturing Company, turned over to Collector of Internal Revenue Stanley Granger, a check for twenty-four and a quarter MILLION dollars — the first quarterly payment on 1944 taxes. » » That check made the headlines. It was not only the largest ever received by the Pittsburgh Bureau, but represented the largest tax payment ever made by Westinghouse. » » Such a transfer of funds to our nation's treasury indicates the scope and importance of that great company's current contributions in the war we are waging. » » And the fact that this check was lithographed on LaMonte Safety Paper is further evidence of the care taken by outstanding banks and business organizations to fully protect their checks against the hazards of fraudulent alteration and counterfeiting.

7th WAR LOAN

Now As Never Before We Must Not Fail!

1871

LA MONTE Safety PAPER

GEORGE LA MONTE & SON NUTLEY, NEW JERSEY

bank cashiers and bankers" at Saratoga Springs, New York, that Summer—July 20–22, 1875, to be specific.

Those in charge of the preparations had recommended that at this meeting "an association of bankers be organized"; and that "every bank in the United States be invited to participate."

About 350 delegates were present in Saratoga's Town Hall for the opening session on July 20. "They appeared promptly at the hour designated, wearing badges," says a contemporary account.

The members of the Committee on Permanent Organization (later the Executive Council) represented the banks which had issued the first invitation to the convention. They selected as officers Charles B. Hall of Boston, president; James T. Howenstein of St. Louis, secretary; Arthur W. Sherman of New York, treasurer. Howenstein and Edward C. Breck, a St. Louis colleague, had originated the movement for this national organization of bankers.

Dry Powder

IF THE admonitory title on General REILLY'S article seems out of step with the spirit and purpose of the Golden Gate Conference, please remember that the General is a soldier and a realist. He believes World War II demonstrated that the economic potential possessed by the western democracies, notably the United States, didn't forestall the conflict—in other words, that a gun in the hand is worth a battleship in blueprint, at least in the beginning.

General REILLY, who is a member of the Officers Reserve Corps, and former editor and publisher of the Army and Navy *Journal*, makes his third appearance in BANKING with "Keeping Our Powder Dry." His previous articles were "U. S. in the Not So Far East," December 1944, and "Victory First," September 1942.

Suggestions

IF WE were opening this issue of BANKING for the first time (even as you, Good Reader, are doing), we know we'd head promptly for not only the dry powder and A.B.A. articles, but also for Myron Stearns Secret Service story . . . for "The Business That Grew from Seeds," the current instalment in our small business series . . . and the WILCOX story on Congressmen's mail. (Bankers, by the way, don't write much to Congressmen, says our author.)

We'd also do some exploring in the "departments": "Methods and Ideas," for suggestions in both categories; "Heard Along Main Street," on the chance that we'd know some of the people mentioned; "The Country Banker" for its news and ideas; "Building for the Future" because it yields a good supply of information concerning post-war homes and the mortgages that go with them. We refer especially to MILES L. COLEAN'S article.

Tom Jones

THIS department, in common, no doubt, with many of its readers, has never visited Wardner, Idaho.

Yes, we've heard about this little town of the Coeur d'Alenes—its famous gulch, its great mines, its background of rich and high adventure with pick, shovel and (naturally) pistol. But we'd never even been close to the place until someone sent BANKING a story from Spokane's "Spokesman-Review." The writer, MARGARET BEAN, obviously had visited Wardner, and her article, "One-Man Main Street," was about its banker, THOMAS R. JONES, and his bank, the Weber State, oldest state banking institution in Idaho.

It was such a good story that we asked the newspaper for permission to reprint, which we do in this issue—that is, in part, for regrettably we didn't have room for all of Margaret Bean's good yarn.

When we told Banker JONES that we'd like to reprint the Spokane article, he replied:

"Personally, I'm a wee bit shy about so much publicity, but I rather think that Ginnie, Junie, Mary, Dukie, Fanny and Pansy would be tickled pink to have you use the story."

They're the members of the bank's

"Everybody talks about how dirty it is, but I decided to do something about it!"



There are many alternatives but only one "Waldorf"



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The unsurpassed gallery facilities and the outstanding abilities of the personnel of the Parke-Bernet Galleries have established this house as the leading art and book auction gallery in the U. S. The three senior officers, Hiram H. Parke, president, Otto Bernet and Arthur Swann, vice presidents, have engaged in the conduct of public sales for more than thirty-five years. A beautifully illustrated book on the history, methods and organization of this firm, containing data on outstanding sales, will be sent free of charge to Trust Officers and Attorneys contemplating the disposal of art and literary property.



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COURTEOUS BANK CHECKS

What a strange adjective to apply to bank checks, and yet Personalized Checks are courteous because those who use them extend to those who read them the courtesy of legibility.

Most people are courteous but there are millions whose signatures cannot be read and yet they sign letters and checks without realizing how much inconvenience they cause others. If they did realize they would have their names typed on letters and printed on checks.

Are such people "touchy" about their signatures? Would they be offended if it was pointed out to them that the printed name might help? We don't believe so, but it wouldn't take long to find out.

Just as a test . . . why not ask your bookkeeping department today to pick out ten checks bearing signatures that are hard to read and are frequently missorted. Then frankly explain to these depositors how difficult it is to sort their checks and ask them to invest $1.25 in 200 Personalized Checks. We predict that there won't be one who will take offense and when you get thru you will have ten more depositors whose checks will no longer create bottle necks in your shop.

Thousands of banks are now selling Personalized Checks to their depositors. The time is approaching when everyone will use them. They are good for the depositor, they save money for the bank and, to repeat, they are courteous. Write us for more complete information on the DeLuxe Personalized Check program.

DeLuxe CHECK PRINTERS

Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL



"With or without mustard, Joe?"

staff pictured with Mr. Jones, on page 27.

By Mail and Phone

THE telephone and the United States Post Office are two big helpers in building a small loan business, says Vice-president D. Z. ALBRIGHT of the Security-First National Bank, Los Angeles, author of this month's article in BANKING's consumer credit series.

There are other aids, such as staff "know-how" and advertising, but Mr. Albright points out that the average borrower wants quick, smooth service. That's where the 'phone and the letters come in.

"At our bank," he writes, "we constantly urge personal loan applications by telephone. It takes but a moment for the prospect to call the bank during his lunch hour, give his name and address, a few facts about himself, and the amount he wishes to borrow. When he calls at the bank later, he finds a practically completed transaction awaiting him.

"Mailing an application blank to prospects in advance also speeds up service. In active industrial areas this plan is very effective. We mailed out more than 150,000 short-form application blanks last year."

And the bank's consumer loan volume increased 61 per cent in 1944. The factors responsible, including those mentioned, are offered for your own consideration on pages 37 and 38.

"A.P."

IN ITS April issue *Coronet* magazine published an article on A. P. GIANNINI, chairman of the board of Bank of America. The bank's emphasis on the problems of small business and the "little fellow" is featured by the writer who quotes "A. P." as having said:

(CONTINUED ON PAGE 6)



HOW LONG IS YOUR PROSPECT LIST FOR POST-WAR LOANS?

Estimates say 15,000,000 people will buy new and used automobiles in the first two or three peace years. That's a lot of prospects for automobile loans. Many prospective buyers have been in the habit of letting the dealer arrange their financing. They can't be counted among your prospects for loans until they've been told about the advantages of a "Character" loan at their local bank.

American Insurance Group agents can help lengthen *your* list of prospects for this *direct* method of financing. They're already talking up the convenience of local bank loans to their policyholders. These are people who will buy post-war cars.

Insurance men and bankers make a great team when it comes to creating a preference for local bank loans. A Chicago bank that financed $21,000,000 worth of automobile sales in the five years before the war says that insurance men produced an $8,000,000 share of the business and were at least partly responsible for $5,000,000 more.

We'd like to send you a copy of a booklet written by the Executive Vice President of that bank. It's entitled "The Banker and the Insurance Man in the Auto Trade." Let us also send you our new booklet, "Character Loans." The American Insurance Group, 15 Washington St., Newark 1, N. J.

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"What happens when you do more paying than receiving?"

"Any banker can make a sound loan for $1,000,000. But you don't get real constructive banking until you put up $500 for some fellow who has nothing but imagination and ambition."

"A. P. took this same viewpoint when he first presented a school savings plan 30 years ago," continues the article. "Thousands of California school children showed up with pennies and nickels clutched in grubby fists and started their own accounts with the special department established to work with the schools.

"'We won't make any money with this idea,' one executive complained.

"'I didn't start it to make money," A. P. snapped. 'We'll get our profit from better citizenship. Teach 'em thrift when they're young and they'll never forget it.'

"He is a particularly easy man for people of the soil to approach, for agriculture was the springboard from which he made his spectacular dive into finance. Some years ago, for example, Giannini pioneered a plan which has enabled thousands of rural boys and girls to borrow up to $40 without collateral or parental approval, for breeding and improving their own livestock. Recently a group of these juvenile farmers paid off their loans with $15,000 they had won with prize pigs and calves at the Kern County Fair."

You-All

THE always readable "First National Tell-Tale Teller," a friendly advertising feature of The First National Bank of Leesburg, Florida, recently published

(CONTINUED ON PAGE 10)

"Where to go for information"

LOOKING for help in speeding up office routines, factory paperwork jobs? Just check the subjects listed here which apply to your business. These are only a few of the many money-saving uses of Addressograph wherever repetitive writing is done. When Addressograph is used with other types of office equipment, you have the ideal combination for efficient handling of paperwork.

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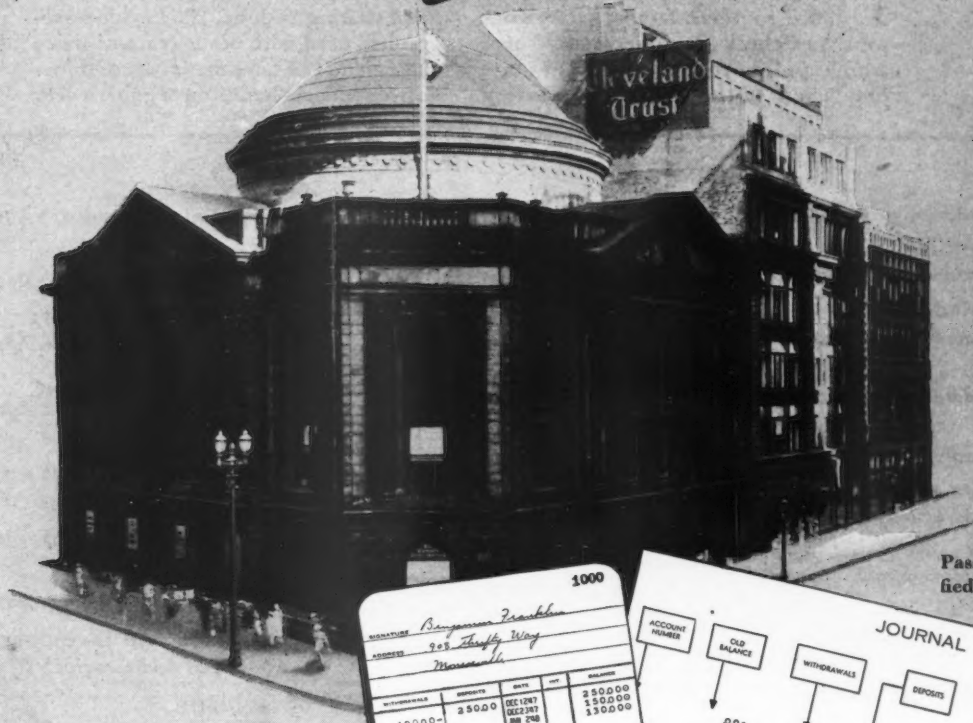
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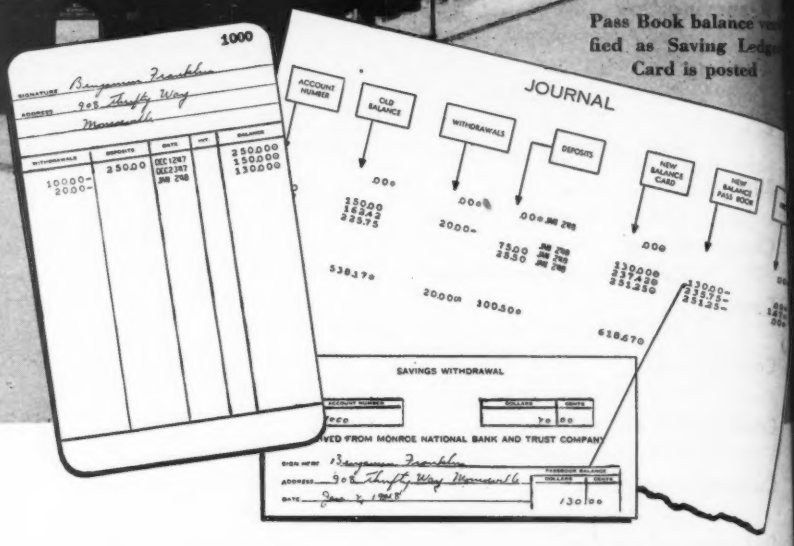
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Call the nearest Monroe Branch; a representative will explain Monroe features and advantages. Ask for fully illustrated booklet, "Three Machines in One." Monroe Calculating Machine Company, Inc., Orange, New Jersey.

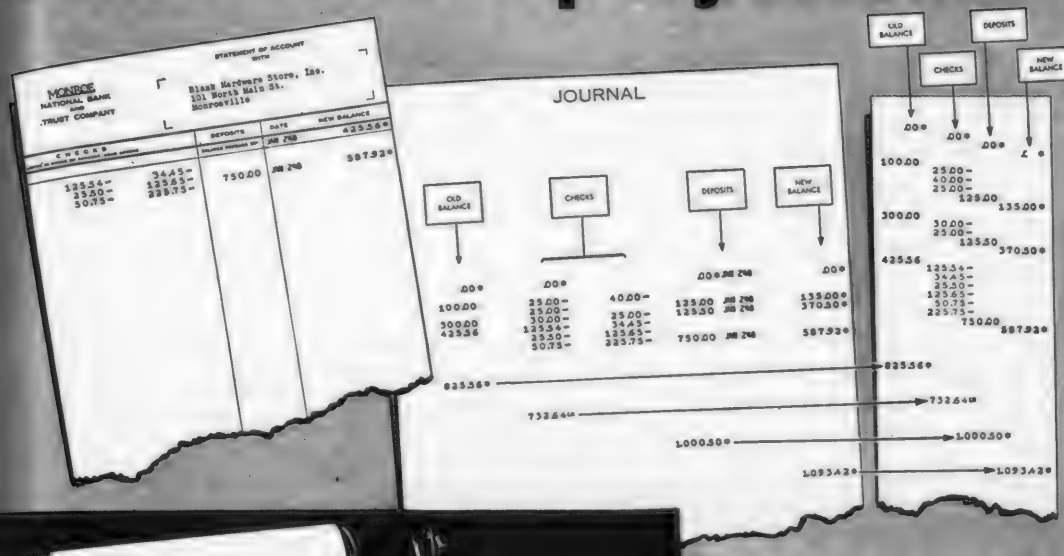
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Monroe Calculating Machines have been standard equipment in banks for a generation. The same excellence of construction and dependability that have won universal acceptance are built into Monroe Listing and Monroe Bookkeeping machines.

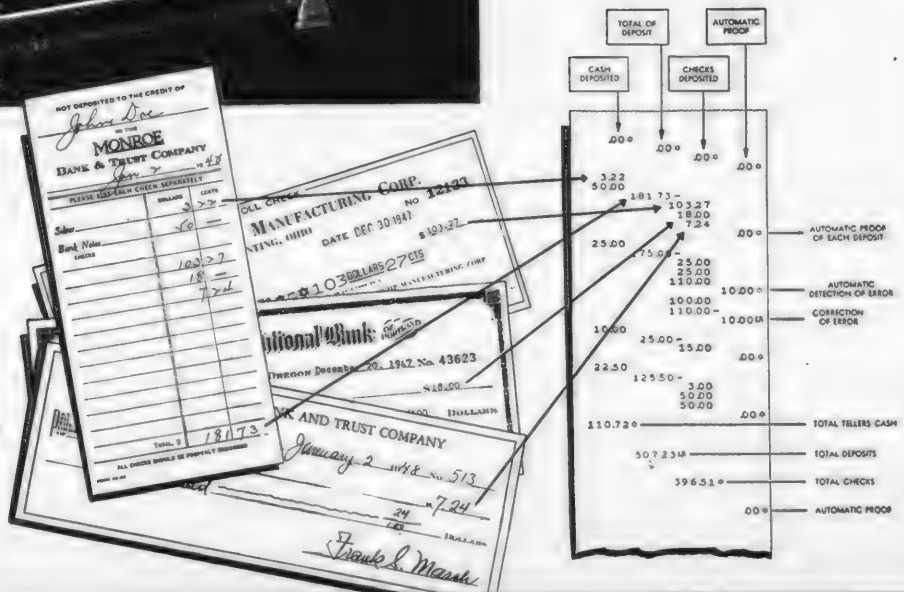
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Bank Bookkeeping Machine



Deposits proved and controls established simultaneously

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Many Personal Loan Departments, familiar with every type of life insurance coverage for their loans, find that Old Republic insurance is best suited to their needs. As a pioneer in this specialized field, Old Republic provides a comprehensive service, geared to your requirements. Details of the Old Republic plan have been carefully worked out to make the insurance advantageous to the borrower, to his family and to your bank.

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JUST A MINUTE—Continued

these verses, which the column's editor, Belle S. Hamilton, says were sent to her by Charles A. Faircloth, former Floridian now vice-president of the National State Bank, Elizabeth, New Jersey. The author is Corporal H. W. Threlkeld of Dale Malbry Field, Florida.

Come all of you from other parts,
Both city folks and rural,
And listen while I tell you this:
The word "you-all" is plural.

When we say, "You-all come down
Or we-all shall be lonely,"
We mean a dozen folks, perhaps,
And not one person only.

If I should say to Hiram Jones,
For instance, "you-all's lazy,"
Or, "Will you-all lend me your knife?"
He'd think that I was crazy.

Now if you'd be more sociable
And with us often mingle,
You'd find that in the native tongue
"You-all" is never single.

Don't think I mean to criticise,
Or act as if I knew all;
But when we speak of one alone,
We-all say "you," like you-all.

A Few Bank Birthdays

THE MERCHANTS NATIONAL BANK AND TRUST COMPANY of Meadville, Pennsylvania, celebrated its 80th birthday recently. . . . In a 25th anniversary brochure the REPUBLIC NATIONAL BANK of Dallas presented an account of the financial and economic resources of Texas. The 40-page book is illustrated with photographs. . . . THE FIRST NATIONAL BANK of Troy, Pennsylvania, observed Birthday No. 50 by publishing a booklet.

JOHN L. COOLEY

"Don't let that worry you. I already owe 'em $10,000!"





It takes an expert to run the whole show

Put your post war construction problems in the hands of an A.G.C. General Contractor

This is Blueprint Time

When the war ends, peacetime construction—in needed civic and business improvements—can set the pace in the reconversion period and for our post war progress. It can provide the needed stimulus to business and employment in the transition from war to peacetime conditions.

But this construction should be planned in advance—and plans are not really plans in construction until they are actually recorded on a set of blueprints. THIS IS BLUEPRINT TIME.

This peacetime construction will also require the same methods of efficiency as were used in meeting the war needs —single responsibility and supervisory control which eliminates overlapping authority and unwarranted costs.

The A.G.C. seal identifies the general contractors who are qualified to run the whole show. They are qualified to take the blueprints and deliver the completed structure or facility, according to specifications and with maximum efficiency. They assume complete responsibility.

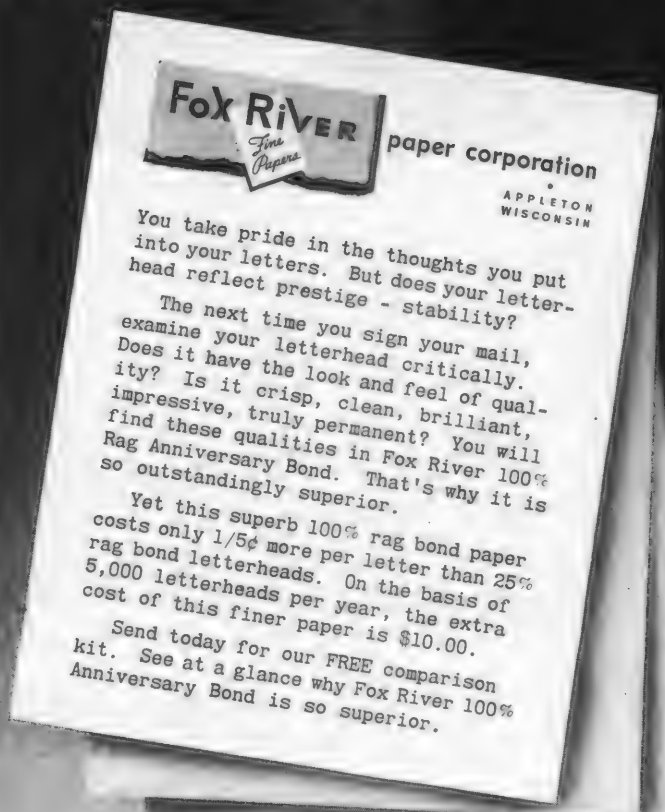
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APPLETON, WISCONSIN

BOND, LEDGER AND ONION SKIN PAPERS SINCE 1883

Processing Cost Analysis Survey

THE processing of forms for the cost analysis program of the American Bankers Association Commission on Country Bank Operations, in which 4,000 banks are participating, is entering its final stages. The analysis involves an enormous amount of work, which consists of a vast number of detailed operations. The major steps involved in handling returns are as follows:

(1) Each bank is given a code number as its forms are received. This code number is listed numerically, and the bank's name with its number is listed alphabetically by states. The use of the code symbol assures the continuance of the confidential nature of the analysis work.

(2) Complete inspection of each return is made by an experienced banker, checking for missing forms, errors, missing or doubtful figures, and all problems especially relating to this return.

(3) Correspondence requesting additional information and involving one to five letters is necessary on approximately 90 per cent of the returns.

(4) When returns are complete, a special processing of the savings, Commodity Credit Corporation and ration banking figures is made. This is done in connection with the special studies being made of these operations.

(5) All original and processed figures are transferred from the original return to a set of three large work sheets.

(6) All information on each return which is required for the comparative schedules is transferred to individual comparative analysis sheets. (This schedule showing comparisons of practically every phase of bank operations will follow the cost analysis program. Each participating bank will be able to compare their bank's results with banks sectionally and nationally.)

(7) Results of comptometer operation are transferred to final analysis report.

(8) Inspection is made by experienced bankers to make sure forms are complete and computation work performed correctly.

(9) Individual confidential reports are mailed to each bank.

(10) Preparation of comparative summaries on specific operations will be released later in the year.

The Cost Analysis Committee of the Commission retains direct supervision of all work, under the chairmanship of William C. Rempfer, cashier, First National Bank, Parkston, South Dakota.



Steel structures boost farm income . . . they are a good loan risk!

IN all types of farm buildings steel means safety for livestock, stored crops and valuable machinery from damage by rain, wind, snow, fire and lightning. It has added benefits for dairy barn, milk house and poultry buildings because it can be easily cleaned and disinfected. In silos and grain bins it assures protection from rodents. Such superior protection, plus the long life and low upkeep cost of steel, makes it a truly economical investment.

Farmers are eager to modernize with steel. They know that, with modern, labor-saving steel buildings and better equipment, they can operate more efficiently, boost food production and make better profits.

The farmer who plans to build steel farm structures is making an investment well worth your attention and consideration. He knows you can't beat steel for protection, for strength, for long life and low maintenance cost. The advantages of steel are powerful weapons in his battle to cut losses, step up efficiency, increase food production and boost his income. Out of this increased income the farmer who builds with steel can easily repay money borrowed for modernization.

AMERICAN STEEL & WIRE COMPANY, *Cleveland, Chicago and New York*
CARNEGIE-ILLINOIS STEEL CORPORATION, *Pittsburgh and Chicago*
COLUMBIA STEEL COMPANY, *San Francisco*
TENNESSEE COAL, IRON & RAILROAD COMPANY, *Birmingham*
United States Steel Export Company, New York

USS STEEL
UNITED STATES STEEL

UNITED STATES STEEL



Here's how you can get up to *50%* more light!

Of course you don't want this "film" on your lighting . . . but neglect can put it there! Dust and dirt on fixtures can cut your light as much as 50%; lop off 20% in only six months! Burned-out lamps and forgotten replacements not only cut down light but create a "don't care" impression.

Get full value from *your* lighting. Let proper maintenance rid you of light-wasting "film." Have your fixtures cleaned regularly. But even more important, replace burned-out lamps promptly. And be sure the lamps are G-E, for the constant aim of G-E lamp research is to make G-E lamps . . *Stay Brighter Longer*



Hear the G-E radio programs: "The G-E All-Girl Orchestra," Sunday 10:00 p. m. EWT, NBC; "The World Today" news, Monday through Friday 6:45 p. m. EWT, CBS; "The G-E Houseparty," Monday through Friday 4:00 p. m. EWT, CBS.

G-E MAZDA LAMPS

GENERAL ELECTRIC

BUY WAR BONDS AND HOLD THEM



Is this kind of home worth saving for— and Protecting!

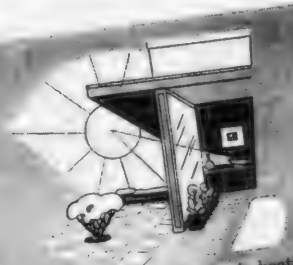
When you think of the kind of home you can have tomorrow—think of these practical, proved advantages that can be yours!

These actual developments are not dream-children . . . nor the products of starry-eyed designers of some "brave new world" beyond the horizon . . . the overwhelming majority are in existence *right now,* only waiting for the mass demand that will follow the war, plus availablity of materials to make them as practical a part of your daily life as a loaf of bread!

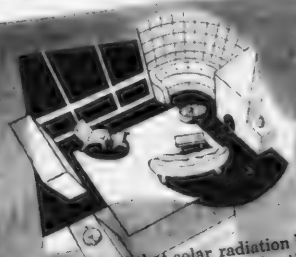
The Roof over your head!



DO YOU KNOW, for instance, that the very roof of your house of the future may never need reshingling—that glass or aluminum shingles are proven practicalities?



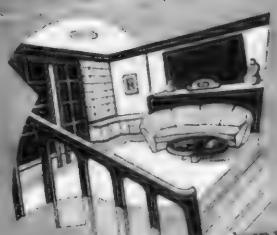
CONSIDER the possibilities in heating by solar radiation—cutting down fuel bills as much as one-third—that is actually in existence *right now,* made possible by a new kind of sealed double pane window glass.



OR THINK of that solar radiation being supplemented by radiant heating—heat that fills the room evenly with the cheery warmth of a sunny morning, that comes from floor, wall and ceiling—in use in 500 homes *today.*

Wait!

These are just a few of the details of your house of tomorrow that make it worth waiting—and saving—for now.



OR TAKE the precipitron, to keep your home practically dustless—proven in practice since 1933—available to you after the war at a price you can afford and at proportionately low maintenance cost.

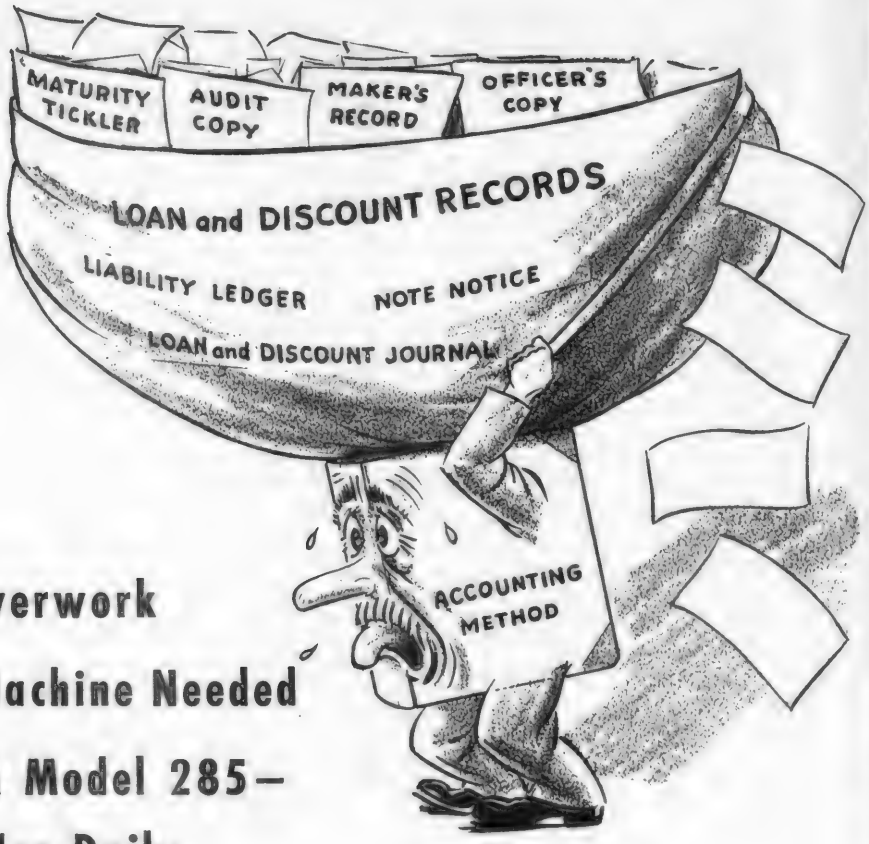


AND THE KITCHEN—without a sharp edge, with refrigerator and home freezing units recessed and built-in, as part of a plan for convenience that includes every detail—and is air-conditioned for continuous comfort!

and *when they are yours, they will be worth protecting with the surest, most complete insurance you can have . . .* **quality** *insurance to equal the* **quality** *of your living conveniences.*

☆ THE HOME ☆
Insurance Company
NEW YORK
FIRE • AUTOMOBILE • MARINE INSURANCE

War Bonds are not merely a definite help in winning the war—bought systematically, they are an excellent means of saving with interest to buy quality goods later. Why not maintain and expand your regular purchases at predetermined intervals?



Symptom: Overwork

Diagnosis: Machine Needed

Treatment: A Model 285—Use Daily

LOAN and discount accounting goes faster in many banks now because the Model 285 bookkeeping machine speedily produces *all* related forms *simultaneously!*

It produces in *one* operation your Loan and Discount Journal, Liability Ledger, and Note Notice, with duplicates of the latter serving as the Maturity Tickler, Audit Copy, Maker's Record and Officer's Copy.

The 285 generates its amazing speed because it is automatic. For example, it is the ONLY completely electrified bookkeeping machine that *computes* and *prints* balances *automatically,* thus preventing "human errors." The operator has only to insert forms and record the information . . . the machine does the rest automatically.

Banks everywhere use the 285 for loan and discount, payroll, trust, insurance and real estate accounting, and many more applications. They say the 285 saves time and costs!

Let the 285 save for YOU. Your nearest Remington Rand specialist will analyze your needs without obligation. Phone him *now,* or write to us.



Model 285
Bookkeeping Machine

Deliveries according to WPB regulations.

Remington Rand

BUFFALO 5, NEW YORK

Bookkeeping Machines for YOUR EVERY Requirement

A Business That Grew From Seeds

MILLARD C. FAUGHT

Can This Happen Again?

This seven-decade history of the Burpee Company is a classic example of the type of American enterprise that started small—with the ideas and efforts of one man—and grew steadily through direct capitalization of the enterpriser's efforts, plus a regular plowing back of profits into further expansion. With no excess profits taxes to take into account, Mr. Burpee was able to offset his lean seed crop years by salting away the windfalls of good years.

MR. FAUGHT *adds an interesting chapter to* BANKING'S *series on successful businesses that had small beginnings.*

DOCTORS and horticulturists might be expected to know that *premna integrifolia* is the Latin term for headache plant, a medicinal shrub. And thereby hangs a yarn about a business enterprise and how it grew, which makes good Spring reading.

Washington Atlee Burpee did not want to be a doctor, in spite of his father's wishes. Latin gave him a headache in every way, except when used to describe seeds and plants. What he did want was to become a horticulturist. And with the aid of $1,000 borrowed from his mother he did precisely that, at the ripe and sagacious age of 19. That was in 1876, and ever since, Burpee's seed catalogs have been Spring literature in millions of American homes.

Long before his death in 1915, W. Atlee Burpee's seed company had become the biggest of its kind in America. And today he would be proud to know that his company, carried on by his two sons—David Burpee, president, and W. Atlee Burpee, Jr., vice-president and treasurer—is producing war goods, seeds which are being sent all over the world, by air and by ship, to raise food for victory.

ON the day early this Spring when the writer visited the huge Burpee plant in Philadelphia, the overseas shipping department was piled high with sacks, boxes, and drums of seeds addressed to Lisbon, Portugal; Gothenberg, Sweden; Johannesburg and Durban, South Africa; Wellington, New Zealand, and a dozen places in South America. In the past three years of war, more than 100,000,000 pounds of these same kinds of American vegetable seeds have been sent abroad under lend-lease to our fighting allies. They have gone by air to India, Australia, and North Africa, and by convoy to England and Russia where this Summer they will produce mountains of food on soil where Hitler had visions of crops being grown by enslaved peoples to feed his rapacious Nazis.

Here at home, with some 20 million Victory Gardens in the offing, the role of seeds at war is reflected in David Burpee's significant remark: "This year good nourishing vegetables have the cover of our catalogue all to themselves instead of the lovely flowers that we might prefer to raise in peacetime."

The subject of catalog covers takes us back to 1876 when the young seedman, W. Atlee, put out his original Burpee catalog, little knowing what bibliographical history he was making. Few amateur back-yard phytologists would have recognized "W. Atlee Burpee's Catalogue of High Class Land and Waterfowl" as the forerunner of today's 100-page seed brochure. The first book featured barnyard fowl, especially pigeons, under this engagingly modest announcement: "Gentlemen desiring to win at our leading shows can be supplied with birds whose superiors do not exist."

Young Burpee loved seeds and growing things, but he loved animals even more. Thus he decided to risk his initial venture as a dealer in farm birds and animals, with seeds as a "sideline." The four annual catalogs through 1879 featured on the cover thoroughbred sheep, hogs, cattle, and even collie dogs. But in 1880 seeds prophetically made the front page. Twin specials of this issue were a mouth-watering picture of "Burpee's Ice Cream Watermelons" and a promotion piece offering a snappy 1880 model of Singer's Sewing Machine to anyone who could sell three hundred 25-cent packages of Burpee's seeds.

After a very short period of trying to be his own traveling salesman, young





***Left*, a Burpee "annual"**

***Right*, President David Burpee and the Luther Burbank trunk (see page 24) which contained samples of rare Burbank seeds**

STATEMENT OF CONDITION

Security-First National Bank

OF LOS ANGELES

MARCH 31, 1945

☆

RESOURCES

Cash and Due from Banks		$ 266,166,511.50
U.S. Government Securities	$911,698,881.79	
State and Municipal Securities	41,202,917.13	
Other Bonds and Securities	13,335,022.71	966,236,821.63
Loans and Discounts		202,475,814.51
Earned Interest Receivable		3,470,983.62
Customers' Liability under Acceptances and L/C		711,329.80
Bank Premises		5,683,314.98
Vaults, Furniture and Fixtures		1,448,925.71
Other Assets		96,276.23
TOTAL		**$1,446,289,977.98**

LIABILITIES

Capital	$24,000,000.00	
Surplus	26,000,000.00	
Undivided Profits	8,000,000.00	$ 58,000,000.00
Reserves for Contingencies, Interest, Taxes, Dividends		17,427,395.18
Interest Collected—Unearned		415,315.57
Acceptances and Letters of Credit Liability		715,329.80
Other Liabilities		129,362.54
Deposits—Time	$475,397,757.65	
Demand	894,204,817.24	1,369,602,574.89
TOTAL		**$1,446,289,977.98**

☆

United States Government and other securities carried at $149,051,254.77 are pledged to secure U.S. Government War Loan Deposits of $104,887,423.21 and other public funds and trust deposits and for other purposes as required or permitted by law.

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

116 OFFICES AND BRANCHES

Burpee concluded that the two basic ingredients of his merchandising program should be (1) advertising to get customers and (2) mail order methods to supply them with his seeds. Today, 69 years later, those same two ingredients are still basic, and both combine to make the annual seed catalog the foundation stone of the entire business. Up until his death, W. Atlee Burpee personally wrote and illustrated each annual issue.

In this way as early as 1905 Burpee had become sufficiently successful in his mail order seed business that he was invited to contribute to a book entitled, "How Fortunes Are Made in Advertising." He was able to contribute some very down-to-earth observations.

In 1890 he had offered through *Printer's Ink* a prize of $50 for the "best seed advertisement." Second prize was won by a cryptic Vermonter who submitted the simple, succinct slogan, "Burpee's Seeds Grow." The company has used the slogan ever since, and has received thousands of dollars worth of free publicity from garden editors and other earthy wits who have been unable to resist observing that "Weed Seeds Grow" too.

The cover of the 1914 catalog was dominated by a huge, red tomato labled "Burpee's Matchless." After the book was in print, Mr. Burpee discovered to his truthful consternation that the illustrated tomato was 1/16 inch larger than any his gardeners had actually measured. Accordingly he forbade any catalogs being sent out until a paragraph of apology had been added to an inner page stating that possibly the printer had overdone himself in illustrating the cover. Came the Fall and hundreds and hundreds of huge "Burpee Matchless" tomatoes began arriving from gardeners who had taken up the inadvertent challenge to their horticultural ego laid down by Mr. Burpee's paragraph of apology.

But the growth of Mr. Burpee's seed business was not all a garden of flowers. He had plenty of weeds to contend with,

(CONTINUED ON PAGE 23)

Noting squash on the Burpee Fordhook Farms near Philadelphia





In Chicago, CCH occupies over 100,000 square feet in this modern building on North Michigan Avenue.

CCH Telegraph, telephone, teletype and fast mail pour a steady stream of current legal information into the editorial offices of Commerce Clearing House. Full texts of legislation proposed or enacted, decisions of the administrative authorities and of the courts, opinions of attorney generals, rulings and regulations, reports of important bills on their way toward becoming law—all go to swell the stream into a veritable flood.

Expedition combines with care as the raw materials are separated from each other, assayed and routed to their proper destinations: the editorial departments having jurisdiction over them. Here they are analyzed—literally taken to pieces and evaluated. Combined in new patterns, they reappear as data for new Reports pages, as CCH "dispatches," as special bulletins—in a word, as answers to hosts of questions that will soon be propounded by hosts of persons as yet unaware of new developments affecting them.

Proofread by meticulous eyes, the "copy" is rushed to the presses. Quickly the rolling rhythm of the pressroom picks up the beat, while bindery and compiling rooms swing into action and the runs approach completion.

In the mailing department, as batteries of typewriters sing their staccato song, specialized machinery and swift fingers complete the cycle by which the vital news of the day is transformed into efficient working tools and placed in the hands of subscribers all over the country. Commerce Clearing House Topical Law Reports, by consistently meeting the specific needs of business and professional workers everywhere, have established among them a recognized symbol. For them the initials CCH mean dependability and good will.

Write for details of reporting in your field. » » » »

COMMERCE CLEARING HOUSE, INC.
PUBLISHERS OF TOPICAL LAW REPORTS
EMPIRE STATE BLDG., NEW YORK 1 • 214 N. MICHIGAN AVE., CHICAGO 1 • MUNSEY BLDG., WASHINGTON 4

CCH TOPICAL LAW REPORTS



Business opportunities in California command the interest of bankers and other executives throughout the country. For here is the richest, most concentrated market in the West.

It is a market served by this bank with branches in more than 300 cities and towns . . . in practically every neighborhood shopping center. It is this statewide coverage which enables Bank of America to offer an intimate, on-the-spot representation of unusual value to executives planning to develop their interests in California. Your inquiries will receive prompt attention.

RESOURCES OVER 4½ BILLION DOLLARS

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Complete Banking Facilities - Commercial - Savings - Trust - Safe Deposit

Main Offices in the two reserve cities of California . . . San Francisco - Los Angeles



Blue and Gold **BANK of AMERICA TRAVELERS CHEQUES** *are available through authorized banks and agencies everywhere. Carry them when you travel.*

"NOW WE'RE GETTING STILL MORE FROM OUR BURROUGHS MACHINES"

Businessmen, coping with changing accounting conditions and an increasing volume of work, are finding the flexibility of Burroughs machines an extremely important advantage. And Burroughs systems and installations men are giving them important help with their problems, thanks to the farsighted policies of the Burroughs organization.

These Burroughs men have had years of intensive training in machine accounting, and broad, diversified experience with all types of business enterprise. They have been working continuously with officers in the armed services, government officials and business executives—helping them make the fullest use of the equipment they now have . . . helping them adapt their machines to changing conditions.



1st Burroughs

IN MACHINES
IN COUNSEL
IN SERVICE

Burroughs service men continue to provide the highest type of mechanical service—dependable in war just as before—to help keep Burroughs machines throughout the nation at top operating performance. The reference files of up-to-date machine accounting information maintained in all Burroughs offices are another service playing an important part in helping users get fullest use from their present Burroughs machines. For help in meeting *your* problems, call your local Burroughs office, or write Burroughs Adding Machine Company, Detroit 32, Michigan.

FIGURING, ACCOUNTING AND STATISTICAL MACHINES • NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES



It's Homemaking Time Again

THIS little home-building, feathered fellow with his jaunty Defoe yachting cap and his pretty mate symbolize what thousands of American families would be doing about now if this were a normal, peaceful spring.

● ● Perhaps next spring will be—and *you* will be building a new home. In the meantime, you can keep adding to your nest-egg of War Bonds which will help finance it. And we at Defoe can plan ahead for the surprising and thrilling things we will be able to build into it for you.

● ● Of course, Defoe's engineering experience and production facilities are now being used only to build more warships and badly needed cargo ships for the Navy. However, the postwar plans of our Housing Division are progressing. New methods of manufacture are being worked out and a host of building materials put through a series of exhaustive tests to make certain that the new Defoe homes will set the pace for living comfort, efficient functional design, beauty and individuality of exterior treatment.

● ● Follow the story of Defoe's little homemaking birds in subsequent advertisements and let them lead you to eye-opening developments in a new concept of housing for Americans.

HOUSING DIVISION – DEFOE SHIPBUILDING COMPANY, BAY CITY, MICH.

☆☆☆☆☆ *Five White Star Renewal Citations now decorate the Navy "E" Award won by Defoe workers.*

BACK THE ATTACK
—BUY WAR BONDS

Defoe

SHIPS FOR VICTORY
SERVANTS FOR PEACE

A Business from Seeds

(CONTINUED FROM PAGE 18)

both literally and figuratively. In the first place, raising several hundred kinds of "crops" on his Doylestown, Pennsylvania, farm required plenty of hard labor as well as patience and skill in breeding, testing and growing seeds. And the weather and insects are no more friendly to a seed farmer than to an ordinary farmer who has only three or four kinds of crops to worry about.

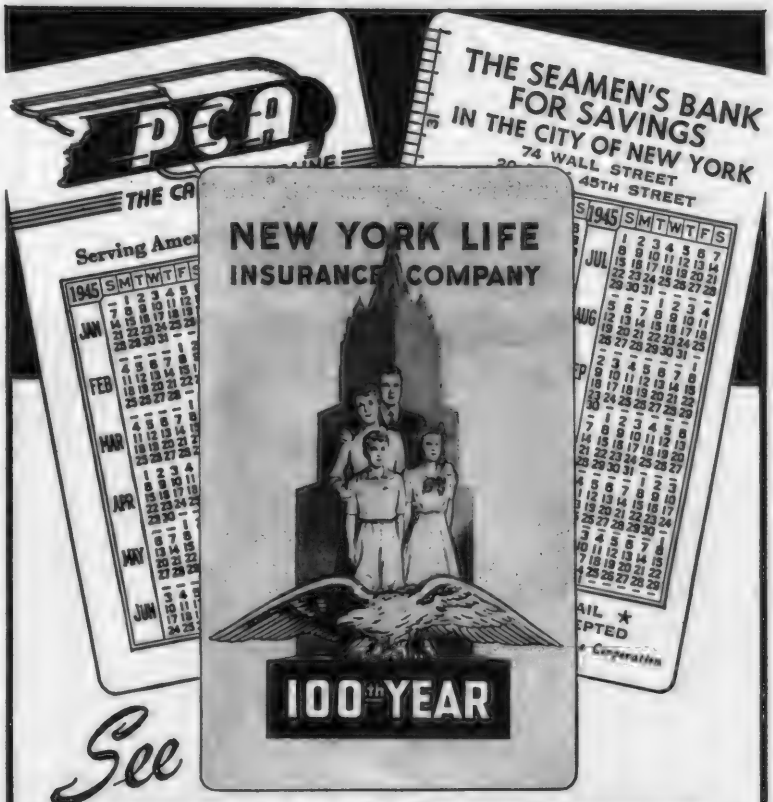
ASIDE from growing his seeds each year, Burpee had still other "human" problems to overcome. Amateur customers would plant his seeds in the wrong soil, at the wrong times, in the shade of trees, in sand piles; some would drown them with water; some would strangle them with strong fertilizers; birds would dig them up—but whatever the reason, Mr. Burpee's complaint letters simply said "your seeds were no good." And whatever the reason, back went the customer's money in full.

Once a customer complained that instead of dahlia roots he had been sent only husks and they wouldn't grow—and no wonder! He had thrown out the dahlia roots and planted the buckwheat chaff used as packing! But the man received a new set of tubers and a long letter of explanation from Mr. Burpee, who went on the theory that "a customer interested enough to complain is worth cultivating."

Since he could seldom meet his mail order customers personally, he felt that he must never compromise their faith in the *reliability* of his catalog, his advertisements, and his seeds. Over the years, the constant research and care necessary to guarantee this reliability has cost a small fortune but it has returned a large one. Today with four and a half million 1945 Burpee seed catalogs in customer's hands, the guarantee still stands. Lloyd's of London aren't the only people who will bet on strange risks.

THE urge to grow things and to putter in the soil is not restricted to the "common man." King Farouk of Egypt, Madame Chiang Kai-shek and the Duchess of Windsor are long-time Burpee customers. Henry Ford, the Rockefellers, and her Royal Highness, the Crown Princess of Denmark, have all sent in at various times for packets. Ever since flowers first made the front cover of the catalog in 1887, many fine ladies of history have been avid readers, and buyers of seed.

This fact led David Burpee, who took



See

BASTIAN *Velplate* CALENDAR CARDS

Celluloid, customarily used for pocket calendar cards, became a critical war material. Bastian engineers went to work, developed the Bastian Velplate Calendar Card. America's leading banks and corporations quickly accepted Velplate, not only as a highly satisfactory substitute but as an actual improvement over celluloid.

Bastian Velplate Calendar Cards are made of special board—strong, tough, durable, flexible and with a quality of properly absorbing printing inks. They are expertly plate-polished by Bastian craftsmen. This gives the calendar a beautiful, smooth, velvet sheen that is retained throughout the life of the card. Happily, too, we can offer these Velplate cards at a lower price than you have paid for celluloid cards!

"We think Velplate Calendars better than celluloid."
H. L. Hart
Pres., Hart-Conway Adv. Agency

SOME USERS OF NEW BASTIAN VELPLATE CALENDAR CARDS:

Phoenix Mutual Life Ins., Co.
National Cash Register Co.
International Business Machine Company
Pacific National Life Ins. Co.
Tidewater Associated Oil Co.
Rochester Savings Bank
Iowa State Bank

Velplate is also suitable for Advertising Blotters, Rulers, Etc.



It's none too early to order your 1946 Calendar Cards — but don't order until you have seen the Bastian Velplate Calendar Cards.

Simply clip bottom of this advertisement, fill in, and we'll rush samples, prices, etc., by return mail.

BASTIAN BROS. CO.
Serving the trade since 1895
Rochester, N. Y.

NAME_____
TITLE_____
COMPANY_____
CITY_____ B

Asked the President of the Purchasing Agent:

Did you say that war restrictions have IMPROVED *the serviceability of the paper we use?*

Said the Purchasing Agent to the President:

Right. War restrictions IMPROVED *the performance of the stationery and record-keeping papers we use.*



"WAR made paper scarce. It became necessary to get more sheets per pound. Stationery and record-keeping papers had to be thinner. To get sufficient strength and wear from thinner papers we bought paper of greater cotton content. These papers proved stronger and more serviceable than papers made all of wood pulp. There's less waste because cotton fiber papers stand more erasing. These papers look better, take more use and abuse, and last longer."

When war restrictions go, don't return to the wasteful practices of yesteryear. When you order stationery and record-keeping papers, specify PARSONS. You'll get the finest cotton fiber papers from a mill that specializes in paper for modern business, made to reflect and record the *quality* of your organization.

PARSONS
PAPERS
MADE WITH COTTON FIBERS

PARSONS PAPER COMPANY • HOLYOKE, MASSACHUSETTS

over the company at the death of his father in 1915, to adopt the happy practice of naming new flowers after famous ladies. New varieties of vegetables have no such distinguished names.

Symbol of plant research at Burpee's is a battered old trunk which belonged to that most intimate friend of Mother Nature, Luther Burbank. Mr. Burbank was a distant cousin of W. Atlee Burpee, Sr. When he died he left this old trunk containing samples of his rarest seeds. From them have come many of the new strains of vegetables and flowers pictured in recent Burpee catalogs.

To stimulate the spirit of true plant research symbolized by Mr. Burbank's legacy, Mr. Burpee's sons have endowed 10 horticultural fellowships at various American colleges.

Over the years, as research has added new seeds and bold merchandising has added new customers, the Burpee Company has grown from its brownstone-house-and-family-farm quarters in Philadelphia to an enterprise utilizing some 12,000 acres of land in Pennsylvania, California, Idaho, Michigan, Florida, and Costa Rica.

About 1,500 people are now employed by the company during the peak season of the year which begins in mid-Winter. Catalogs are usually mailed the week after New Year's at a time when the post office is still in a mood for big jobs, and when people generally are in a mood to take their minds off snow and ice by reading garden literature.

Seeds are tiny things; a pound of cabbage seed has produced 100 tons of cabbage; two ounces of tomato seed, plus soil and sun and cultivation, 10 tons of tomatoes. And if there is a moral for enterprisers inherent in this story, it is that a man with an idea, plus work and imagination, based on sound principles, can build a thriving business enterprise—even out of tiny seeds.

A test block to prevent cross pollination



Simple Suggestions for More Attractive Wall Design Treatments with Douglas Fir Plywood

No. 3 of a Series

Many and varied are the wall design treatments possible with beautifully - grained Douglas fir plywood. Advertisements 1 and 2 of this series* detailed two methods of using panels placed horizontally. In the rendering below —that of a smart, modern, shop interior — vertical panel arrangement predominates. Standard 4 x 8 panels are used vertically with the wainscoating placed horizontally; the unusual design effect is achieved by vertical V-grooves, carried through from floor to ceiling.

In all cases, one basic rule applies: start at the openings with vertical joints and divide the plain wall spaces in an orderly pattern, as in detail A and C. Place vertical joints at each side of top and bottom of window and at top of door openings, as in detail A, C, E, and G. If the width of the door or window opening is over four feet, however, do not hesitate to place the panels horizontally as in detail E—for combinations of vertical and horizontal arrangements may be used in the same room with pleasing effect. Nine and ten foot lengths are available to assist in solving special problems.

The most satisfactory method of applying special patterns (or patterns made up of small panels) is to sheath with 5/16" or 3/8" Plyscord placed horizontally and apply the finish panels as desired.

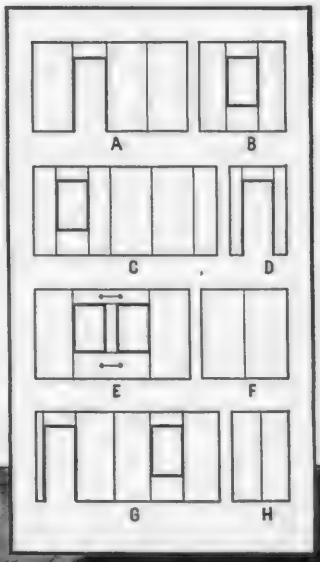


DOUGLAS FIR PLYWOOD ASSOCIATION
Tacoma 2, Washington

CAN PLYWOOD BE SPECIFIED NOW FOR POSTWAR USE?

The increased capacity of the industry will make MORE Douglas fir plywood available THAN EVER BEFORE, as soon as the needs of the armed services lessen or war restrictions are lifted. There will be no reconversion delays; the same types and grades of Douglas fir plywood that are now being made will flow immediately into peace-time building and construction.

**Reprints available on request.*





TO BANKS
WITHOUT A FOREIGN DEPARTMENT

Seeking Profitable, Timely Business

LETTERS OF CREDIT—both domestic and foreign—are increasingly used as a financing method by business today—whether as buyer or seller. There are definite, practical reasons for this trend—time saved, flexibility permitting quick decisions in concluding a deal, and reduced time involved in credit investigation.

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A One-Man Main Street

This unusual story about a banker and a bank in the Idaho mining town, Wardner, was written by MARGARET BEAN *and published in* The Spokesman-Review, *Spokane, Washington.* BANKING *reprints it in part, through the courtesy of that newspaper.*



The Weber State Bank at Wardner, Idaho, is on Main Street—the only street that leads up the Wardner gulch, famous in mining history. The gulch was still a mining camp when the bank was established in 1893

ALMOST at the top of Wardner's Main Street, as you go up the gulch, sits a tiny bank. It has a false red brick front and sides, and is hardly large enough inside to let you turn around. The only way you can tell it is a bank is to enter and make inquiry. Then you will discover that it is the Weber State Bank, and that Thomas R. Jones is its president.

Only nobody ever bothers to use the Jones part of his name — he is Tom, Tommy or T. R., all over Shoshone County, although he has ascended to the dignified position of bank president.

Both the 52-year-old bank and its dry-humored president are stories — the bank because it has its roots deep in the days of pioneer stampede into the Coeur d'Alenes, with their lure of fabulous riches, after prospectors arrived from the outside to pour gold dust from their worn buckskin pouches and proclaim, "The hills up thar are lousy with it." And Mr. Jones because his experience with the bank reaches back to 1907, when he became its cashier and later as its president, when he and associates bought it in 1928.

One of the greatest adventure stories of the world, concerning man and his quest for gold, has trodden up and down the Main Street of Wardner and past the door of this tiny bank. It was in the Wardner gulch that the discovery of the Bunker Hill and Sullivan was made in 1885, when N. S. Kellogg, a carpenter out of a job, got a grubstake and, with the aid of the now famous jackass, uncovered a rich deposit of galena that has become the largest lead and silver mine in the world. To date it has paid out something over $60,000,000 in dividends, with another half century of ore in sight.

Here are Banker Jones and some of his staff. *Left to right*, Mrs. Virginia Taylor, cashier; Miss Mary Jones, teller, the president's daughter; Mr. Jones; Miss June Olsen, assistant cashier. (The cat's name is Pansy)



And not far distant is the famous Sunshine mine, the largest silver mine in the world, which has distributed something over $20,000,000. And there have been other mines, big ones and little ones—ones that have made millions, and paupers. The big gulch around the bank has echoed with cries of joy and despair. And many of these stories began and ended in the bank.

A BABY bulldozer could push this little bank off its foundations, but it is a Rock of Gibraltar as an institution. It was founded in 1893 by the Weber brothers, John H. and Philip P., and has successfully weathered every financial storm that has whipped its way over the country during the last 52 years. . . .

Its founders, the Weber brothers, came into the country in 1884, attracted by the gold excitement at Eagle City, Idaho. Philip Weber piled his belongings on a wide-bottomed sled and laboriously shuffled his way on snowshoes from

(CONTINUED ON PAGE 29)



Green Fields Unfold New Farm Wealth..

★ In the days of our youth hay was regarded mainly as roughage to round out the grain ration of farm animals, to dilute it for digestion. Yet that roughage was made from the same crops which, as pasture, produced the richest milk from dairy cows and the most rapid growth in young animals.

Today, science tells how old-time hay lost its value between meadow and manger. It shows how bleaching destroys the pro-vitamin carotene, how moisture steals minerals, how protein perishes with every hour of undue delay before or after cutting. In particular, research reveals that saving the pasture value in hay is largely a matter of saving leaves and preserving green color.

Founded on practical experience and fortified by the findings of science is the Case System of Making Hay. It begins with cutting when protein is high, continues with swift air-curing in windrows that shelter leaves from bleaching and shattering, concludes by baling into "Packaged Pasture" with the new Case Sliced-Hay pick-up baler. So successful are these simple steps that alfalfa from sliced bales has analyzed over 18 percent protein—half as much as that favorite concentrate, linseed meal—plus three times the usual top limit of carotene.

Designed to provide "packaged pasture" for the individual farmer, the Case Sliced-Hay baler helps to produce extra milk or meat which often pays back its price in a few seasons. It is one of many Case machines, worth-while alike for farmers to own and for banks to finance. Case dealers gladly cooperate in developing desirable loans. Case educational films and bulletins are available for your use. J. I. Case Co., Racine, Wis.



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ADVANCED PRACTICES MAKE FARMING MORE SECURE

A One-Man Main Street

(CONTINUED FROM PAGE 27)

Thompson Falls, Montana, 30 miles distant, over the roadless divide of the Rockies, to the gold camp.

The Weber brothers became identified with the country in various ways and in 1893 decided to start a bank because, as Philip Weber put it, "The spectacle of seeing four or five of Wardner's banks going broke through unfortunate poker connections, gave me the idea of starting a real bank in the camp. I set up a board across a corner in my cigar store for a counter and that was the beginning of the new financial institution."

THE bankers refused to accept deposits for the first six months, a practice which proved of great psychological worth. The miners became convinced that the Weber brothers had more money than they knew what to do with and became eager to hand over their funds to them.

The new bankers condescended so far as to take miners' cash, sealed in envelopes and placed them in the safe at the owner's risk, with no receipts given. Then the supply of envelopes gave out and because the two bankers were unable to get another supply, they had to begin taking deposits.

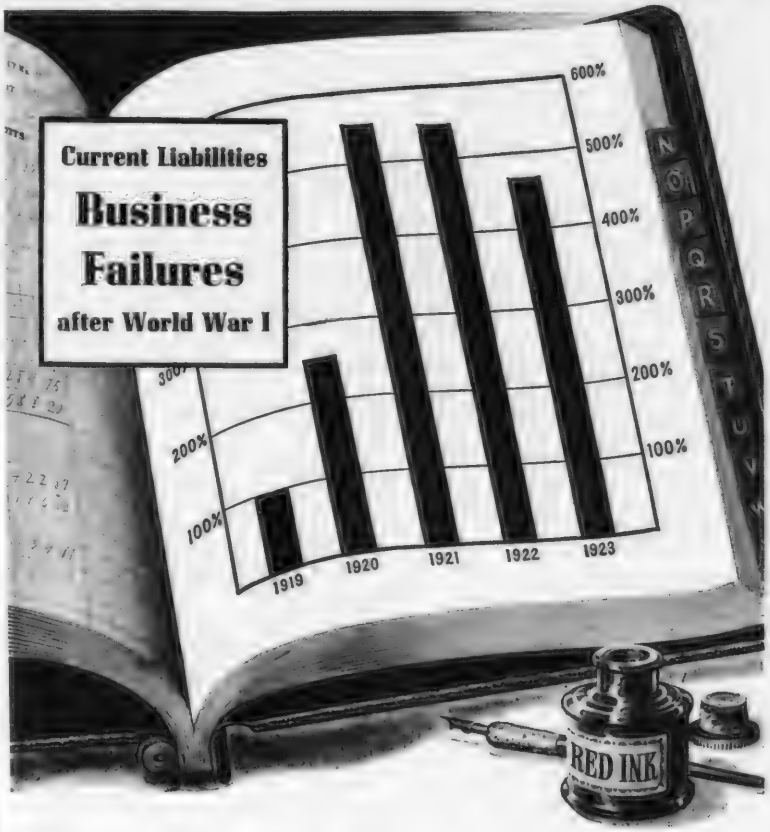
And, today, the little bank stands as a monument to sound banking judgment practiced through the years by the Webers and Tom Jones. It has a capital of $20,000, a surplus of $8,000, undivided profits of $5,667 and deposits of more than $300,000.

But if Tom Jones' bank is an institution of note, so is its president. He is a one-man Main Street. Since he came to Wardner in 1901, lured by the high wages paid in the mines, he has done everything in Wardner and Kellogg, adjoining town, but play the role of undertaker, bring babies into the world and marry people. In those two communities all roads lead to Tom Jones. He is said to have more friends than any man in Shoshone County.

TOM Jones is a medium-sized man, slender and erect. His close cropped, iron gray hair is parted in the middle and he is clean shaven. His calculating black eyes give him the clean-cut look of the keen thinker. They can either twinkle with a dry humor which has made him one of the best toastmasters in the state or take on the inscrutable expression of the poker player.

When he first joined the bank as cashier, after graduating from the Uni-

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American Credit Insurance places a definite cash value on accounts receivable for goods shipped . . . guarantees that they will be paid . . . ***and this protection now can be extended without charge to include the bank as a named assured.*** Write now for more information to: American Credit Indemnity Company of New York, Dept. 45, First National Bank Building, Baltimore 2, Md.

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versity of Idaho with all the honors the college could give, the bank was the only institution on Wardner's long Main Street, running up the gulch, that wasn't a saloon. The saloons gradually drank themselves out of existence, as it were, but the little bank still stands. It is but 20 by 30 feet in size, half of which was the card room and cigar store in which the Weber brothers started their bank. . . .

Every morning Tom Jones opens his bank at 10 o'clock but he closes it only when the last fellow in decides to leave. Here come people, not only with banking business but with their troubles. There are no lawyers among Wardner's 561 population, so Tom Jones becomes their lawyer, asking no fees. He helps people to make out their income tax returns. He performs legal transactions for them. He advises them on the troubles that they bring him to iron out He nurses them along often on loans when as a hard-hearted banker he might take over their funds.

He has been so effective as a police judge that Wardner hasn't had a prisoner lodged in the jail since 1916. Consequently, the other day the town decided to rent the jail and trust to luck that the police judge's influence for good would prevail. . . .

As a banker, Tom Jones has become famous for his correspondence and every bank that receives his epistles keeps a file, not only for reference but for the amusement they contain.

A novel could be written about Tom Jones as a man who has lived life in full flavor. He has lived it as a man who has succeeded in business, as a man who has given of himself in full measure to his community and as a man who has known how to play.

"Something tells me some of my wife's letters haven't reached me. In this one she's complaining about a shortage of diapers"





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AFTER

BE SURE YOUR STORE properties have the eye-appeal that means better business. Plan to modernize them . . . inside and out . . . with Pittsburgh Glass. This attractive store in Rochester, New York shows how Pittsburgh Glass can improve a store's sales personality. Architect: Charles A. Carpenter.

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Now is the time to plan store modernization. Be ready to go when building restrictions are lifted. Remember that a big backlog of modernization work has been built up during the restricted period . . . and it will probably be difficult to get alterations done promptly if you wait till the last minute.

See your architect to assure well-planned, economical store designs. Our staff will gladly cooperate with him. And meanwhile, you'll want a copy of our free books about store modernization. They show many actual Pittsburgh remodeling jobs . . . with facts, figures, and photographs. Send the coupon below . . . today.

"PITTSBURGH" stands for Quality Glass and Paint

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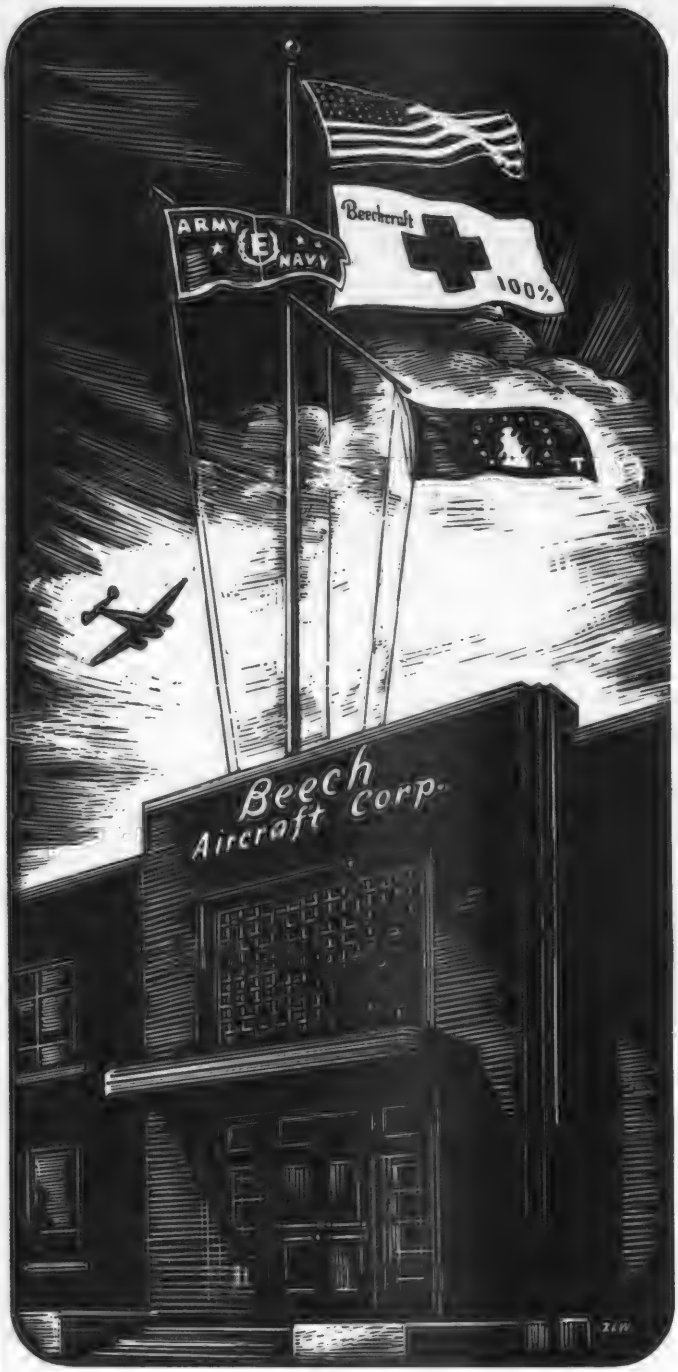
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Please send me, without obligation, your illustrated booklets on store modernization.

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IN the 1945 Red Cross drive, more than 12,000 Beechcrafters were offered a chance to contribute to the world-wide activities of the Red Cross. *Every* man and woman at Beechcraft gave to the Red Cross, setting a national record for large-scale unanimous Red Cross participation without known precedent or equal. Their response was

100%

This record is typical of Beechcrafters' response to the demands of total war. For more than three years, they have voluntarily put more than 20% of their pay into War Bonds. They have maintained one of the lowest absenteeism rates among all war industries. Most important, they have kept production on schedule every month since December, 1941.

Beechcrafters are proud of their 100% record. They intend to continue their 100% backing of the men and women of our Armed Forces, in every way, up to the day of final Victory in every theater of this war.

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WICHITA, KANSAS, U.S.A.



A.B.A. President Burgess, Vice-president Frank C. Rathje and Treasurer Wilmer J. Waller at the April meeting of the Association's Administrative Committee in New York. The Committee approved the program of the A.B.A. officers with respect to the Bretton Woods proposals

A Bretton Woods Formula

This is the statement of W. RANDOLPH BURGESS, *president of the American Bankers Association and vice-chairman of the board, The National City Bank of New York, before the House Banking and Currency Committee on the Bretton Woods Agreement Act (H.R.2211).*

THE American Bankers Association agrees with the purposes and with a large part of the substance of the Bretton Woods plans. The Association has been on record since 1943 in favor of an international monetary organization to help achieve these purposes. We want international cooperation and exchange stability.

The record of the Association in this respect is clear and consistent. The report of our Economic Policy Commission, issued September 1, 1943, said:

> Some international institution is desirable: to help nations in stabilizing their currencies; to provide a meeting place for the discussion of monetary questions; to collect information which is a necessary basis for sound decisions; and to make some arrangements for stabilization credits in cases where they are justified.

We are still in favor of these objectives as is shown in the Association's report on the Bretton Woods proposals made on February 1 to our membership.

This report was the joint product of three committees of our Association, acting with committees of two other banking organizations, the Association of Reserve City Bankers and the Bankers Association for Foreign Trade. It was approved by the governing bodies of each of these associations. The members of these committees—60 in all—came from all sections of the United States, represented different types of institutions, and came largely from centers that have a definite interest in foreign business.

At our annual convention in September 1944, the Bretton Woods proposals were widely discussed, the general views of our members began to crystallize, and the convention authorized the Administrative Committee of the Association to act on its behalf. The committee has done so.

Furthermore, we withheld open discussion of the matter pending the November elections in the conviction that controversy on foreign relations should, as far as possible, be kept out of the campaign.

The differences of opinion concerning the Bretton Woods proposals arise with respect to methods and not to objectives. We agree with the objectives, but we think that the Fund should not be created. In its place we favor the establishment of a department of the Bank to perform the stabilization functions now assigned to the Fund.

You have two sorts of questions before you: One, the question of the merits of the proposals; and the other, a question of international relations. Before we analyze the merits of the plans before you—the Fund and the Bank—and how they fit into the present turbulent world economy, may I comment on the second question.

The negotiation of international agreements is a double task. They must be negotiated with the representatives of foreign countries; they must also be negotiated with our people at home. It is all too easy to forget the second step—to make an agreement abroad and then hope to sell it at home. But selling is not negotiation.

The proposals before you have been partially negotiated with the experts of other countries after compromises on all sides, but after little public discussion. We are told that the American people should now take them as they are—without change—otherwise new international conferences must be called—which might fail.

This is in marked contrast to the procedure with respect to the Dumbarton Oaks proposals, where a conference of technical experts was followed not only by widespread public discussion but also by a second conference to be held at San Francisco.

It should also be noted that, even with respect to the Bretton Woods conference, the American delegates were under instructions from the President which limited the scope of their deliberations as follows:

> In formulating a definite proposal for an International Monetary Fund, both you and the other delegates will be expected to adhere to the joint statement of principles of an International Monetary Fund, announced April 21, 1944. You, as head of the delegation, are authorized, however, after consultation with the other delegates to agree to modifications which, in your opinion, are essential to the effectuation of an agreement and provided that such modifications do not fundamentally alter the principles set forth in the joint statement.
>
> You will apply the same principles in your discussions and negotiations with respect to the proposed Bank for Reconstruction and Development except that you will be governed by the principles agreed upon by the American Technical Committee

In view of the misstatement frequently made that "44 nations" had "agreed" on the Bretton Woods plan, the precise nature of the Final Act at Bretton Woods should be noted. Lord Keynes described it as follows:

> The whole of our proceedings is ad referendum to our governments who are at the present stage in no way committed to anything. . . . We do not even recommend our governments to adopt the result. We merely submit it for what it is worth to the attention of the governments and the legislators concerned.

There were also specific reservations on a number of points by representatives of various countries.

Now for the first time this program comes to the American people at the policy level. These plans are in two packages—an International Monetary Fund and an International Bank for Reconstruction and Development. The Bank has found general acceptance both here and abroad. The Fund has met opposition both here and abroad.

The changes we suggest are of such a character—all in the interest of simplification—that we believe they would not necessarily require another conference.

But why should we dread another conference? Other conferences must be held and will be useful in learning each other's point of view. One such conference is essential before long to consider trade arrangements because trade quotas, tariffs, subsidies, export bounties, bilateral arrangements could completely defeat any program for monetary stabilization. Trade policies and monetary policies should logically be considered together.

The reasons why we are proposing a simplification of the Bretton Woods plan will be developed more fully by my associates, but I should like to review briefly today some of the major reasons.

*1. **Size and nature of need.*** Much of the testimony which has been offered here seems to me to be based on a misconception of the financial position of the world today. It has been said that much of the world is impoverished and devastated and that we face the task of putting it together again. The devastated areas, in fact, are limited to parts of a few countries, and many of the countries of the world are affluent. They have benefited from our huge war expenditures. We think of Uncle Sam as rich as Croesus but lately he has been growing poorer and other countries richer. While our gold reserves have declined to a point where we must lower our reserve percentage, other countries have been increasing theirs. Nations outside the United States now hold over 20 billions of gold and dollars. This has risen by 7 billion dollars since our Government's experts began discussing international monetary plans three years ago. Other countries have gained more gold and dollars than the entire United States' quota in both proposed institutions. The pressing need for loans is limited to a few areas and a few countries.

*2. **Assurance of soundness.*** Another reason for eliminating the Fund and concentrating its necessary powers in the Bank is that the Bank's loans are made on sound principles. While various safeguards have been inserted in the Fund plan it still remains true that members of the Fund have a right to borrow under cer-

Another witness before the Committee was W. L. Hemingway, former president of the American Bankers Association, and president, Mercantile-Commerce Bank and Trust Co., St. Louis



ACME



ACME

Brigadier General Leonard P. Ayres, executive vice-president of the Cleveland Trust Company, waiting to testify

tain conditions which are not difficult to fulfil. Long experience has shown that poor loans are as bad for the borrower as for the lender.

The lending policy of the Bank is much more carefully protected, both in the method of making loans and in the fact that the country whose money is used has a veto power.

The concentration of the lending power in the Bank would assure wiser and better lending policies. It would enable us to do what has to be done for less money. The $10 billion capital of the Bank is more than adequate for any probable needs for some years, but it could be supplemented later if circumstances justified such action.

*3. **Protection of United States principles and interests.*** The United States has certain definite national points of view and interests. There is no provision in the Fund to avoid the use of our dollars by countries which are following policies directly contrary to ours or for purposes to which we are opposed. The Bank, however, which gives a country veto power over the use of its money, provides protection to the lender.

In addition to this defect in the Fund, there is the provision for the treatment of scarce currencies. The currency most likely to be scarce is the American dollar; on that point there is no dispute. If dollars become scarce, what will happen? It will inevitably be charged that the United States is to blame and we shall once again be branded "Uncle Shylock" unless we put up large additional sums.

*4. **Economic warfare.*** The proponents of Bretton Woods assert that one of its twin objectives is an end to economic warfare. Yet the Agreement attacks only the monetary weapons of that warfare—and only partially attacks these—namely, currency depreciation and exchange controls. As to the former the Agreement actually stipulates that a 10 per cent depreciation is permissible without the consent of the Fund, and the Fund must allow further depreciation if there is "fundamental disequilibrium." That is not hard to prove. As to exchange controls—they are allowed for an extended period.

But no other of the powerful weapons of economic warfare is forbidden. Tariffs can be raised or lowered. Quotas, embargoes, subsidies on production, export bounties, preferences, and bilateral agreements (outside the Fund) can all be used.

The Fund provides only a start in dealing with economic warfare—a start which we believe could be made more effectively through the Bank.

*5. **Why one institution?*** We believe that the objectives of Bretton Woods could be carried out best if there were but one international financial organization instead of two. We think the one organization could carry out the objectives more efficiently, in a more orderly way, and more economically than could two.

Since both would be making loans and promoting international trade, confusion would be almost inevitable. Dollars are what most nations will want. As the plan is set up it is easier and cheaper to get dollars out of the Fund than out of the Bank. Nations have an almost automatic call upon dollars in the Fund, while in the Bank they must prove that they have good loans. In the last analysis America has a right to veto a dollar loan by the Bank just as other nations have a veto on loans in their currencies.

We believe the Fund should be a department of the Bank. We believe the same board of directors ought to have charge of the policy of both lending operations. Why? Because otherwise a nation may be borrowing so much short term money from the Fund that it will endanger the soundness of its long term obligations to the Bank. An ordinary bank in this country makes short term loans and long term mortgage loans to the same people or buys their bonds. It knows the current financial position of its borrowers and also knows what obligations its borrowers have to meet in the years ahead.

Rules regarding international exchange restrictions, parities, and other such questions can be worked out through the stabilization department of the Bank more effectively than if such questions were relegated to an institution which had no responsibility with respect to long term loans. Some stabilization programs will call for long term loans.

Furthermore, we believe that the objectives set forth at Bretton Woods can be accomplished by about one-half of the commitment of the present proposals. Stabilization loans need not involve huge sums of money if well made. A country stabilizes itself by pursuing proper fiscal, business, and trade policies. Going into debt through borrowing from foreigners may help for a time but a country cannot hope for permanent stabilization by borrowing alone. It must produce and save and export to get back to stability. Assuming a country wants to stabilize, loans can be helpful but they are not the primary method to attain stabilization.

Some say "What difference does it make what it costs

(Continued on page 116)

Keeping Our Powder Dry

HENRY J. REILLY, ORC

BRIGADIER GENERAL REILLY, *asserts that the democracies, to avoid another war, must abandon the fundamental error of holding that "superior economic resources, unarmed or only slightly armed, can prevent the upset of the world by peoples with much weaker economic resources, but with heavily armed forces and the will to fight."* GENERAL REILLY *wrote "U. S. in the Not So Far East" in the December 1944 issue of* BANKING.

THE character of the economics which will govern the world after the fighting is over is already largely determined. It is to be hoped that this time we will thoroughly understand what we failed to understand when the last war was terminated by the Treaty of Versailles and other treaties.

It is that economic agreements must be backed by sufficient force to maintain them. Also, in bargaining as to the kind of economic systems to be set up, the power with the most military force and the will to use it as a bargaining point will decide what that system will be.

At the Versailles Peace Conference, when President Wilson was more interested in getting the League of Nations set up than in the peace terms insisted upon by Clemenceau and Lloyd George, the President had by far the largest, youngest and least war-worn army. He had the biggest and most modern fleet built and building. However, he apparently never considered that these trump cards gave him the means to enforce his will. In approximately a quarter of a century his plans for world peace crashed with the consequent loss of control by our economic system of the Continent of Europe, and eastern Asia.

At Yalta President Roosevelt had by far the largest and most efficient air force, by far the largest and most efficient navy. However, Stalin had the advantage, because with the largest army supported directly by a large and efficient aviation arm, he was the only one of the Big Three who could show that he had really fought the Germans over a long period of time. He had driven them out of Russia, the Baltic states, Poland and within a few miles of Berlin. He also could show that while he was using from 250 to 300 Russian divisions to fight the Germans and Hungarians, we and the British had only approximately 65 on the German front in western Europe—in other words, that we and the British had not been carrying on anything like the offensive of the Russians and that we lacked the divisions to start an offensive on the grand scale which he was planning. At the same time we and the British had been unable to force the Germans out of Italy.

Nothing better illustrates the clash of the typical British and American viewpoint with that of Russia, than the insistence that it is not the total war effort of a nation but what it does in combat against the enemy, which is the proper basis on which to establish claims. The British always sum up their total "war effort" In this they include everything they have done and are doing such as the number of men and women working to produce war goods, the anti-aircraft and other troops needed for the defense of Britain, and the Home Guard. They also include, of course, the large amount of supplies they have sent Russia and other countries.

AS "the arsenal of democracy" we gave great material aid to the British and Russians even before we entered the war, to say nothing of other nations. Most Russians claim that up to the Battle of Stalingrad, this lend-lease did not play a material part in the two years of fighting already done by the Russians. However, it would be hard to find a Russian who will not admit that lend-lease has since played a material part in enabling the Russians to drive the Germans back.

Another very important point frequently overlooked in considering what our war effort has been is the long distance we had to send our combat troops, munitions and supplies from our home country to either the front in the Far East or those in Europe. The Russians on the other hand had no ocean to cross; they had only to transport their men and supplies and munitions from the heart of their own country to their front along the Baltic in eastern Germany, Slovakia, Hungary and Yugoslavia.

Unfortunately for the British and ourselves in international conferences having to do with the making of war,

CONFERENCES . . .

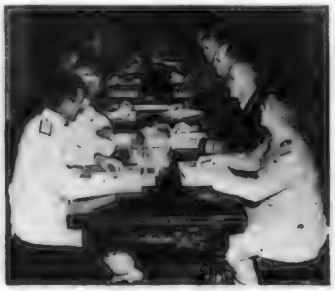
Atlantic Charter, August '41



Casablanca, January, '43



Quebec, August '43



Cairo, November '43



it is not the *total war effort* of the nation which counts but the *total combat effort*, generally expressed today in how many divisions actually in the face of the enemy and how many combat aircraft flying over and attacking it.

No matter how unjust it may seem to many Americans and Britishers the fact remains that as wars are won by fighting, the number of fighting men each nation puts in action against the enemy's fighting men is the basis on which claims are settled.

After all, blood shed in fighting the enemy will always be given a far higher place in determining what each nation did than will the delivery of supplies and munitions of war. Fighting men of the armed forces of every nation have this viewpoint themselves. They frequently show it by the way in which they decline to give the same credit for "winning the war" to the "services" which they freely accord to the other fighting men.

I went back to Europe in 1937 convinced that a general European war was inevitable. I had previously spent more than eight years in Europe at different times, visiting and studying its different armies and the international political situation. At West Point, the United States Military Academy, of which I am both a graduate and a former instructor in history, they teach the cadets that there is no great chasm like the Grand Canyon of the Colorado between peace and war or war and peace. In other words, the causes of war come from the conditions which exist in time of peace; the kind of peace which is possible depends upon the way the preceding war ends. In other words, peace and war cannot be divorced.

I went back to Europe hoping that writing things with a European date line would attract the attention to the danger of a general war, which it seemed impossible to get amongst my banking, business, magazine and newspaper friends and acquaintances while in this country.

Like the British and the French, our people simply would not believe that Germany was building a military force both on the ground and in the air capable of upsetting the Continent of Europe—in other words, that she had the means to do so.

From then until the outbreak of the war in 1939, I visited every country in Europe, some of them two and three times, also Turkey, Syria, Palestine, Egypt, Tunisia, Algeria and Morocco. Thanks to circumstances, everywhere I had entree to people in political and military power, bankers and business people

Public opinion in France, Britain and the United States was firmly convinced that the Germans had not again become a great military power; that she would not dare risk war with the democracies and that if she did she would soon be brought down. This above all by the economic blockade which would prevent her from getting the raw material, the oil, the food, etc., necessary to wage war successfully.

Those who insisted, like this writer, that Germany thoroughly understood these economic questions and had taken every precaution so that she would not be caught short and that furthermore, with her superior armament, she could seize throughout the continent of Europe the economic resources and armament of other countries, were not listened to.

In other words, the democracies insisted that their far greater economic resources made it impossible for the Germans to upset and keep upset the then existing state of affairs.

The consequence was that they persisted in their failure to provide armament to meet that of Germany, particularly during 1938 and 1939. Therefore, it was impossible to escape the conclusions (1) that the economic system set up after World War I was breaking down because of lack of the military power to enforce it and (2) that the growing German military power was bringing into the orbit of the German economic system a large part of Europe, which would have preferred to remain outside the German economic system and within that of Britain, Holland, France and the United States.

I heard in Germany and Italy again and again: "We propose to escape from the control of the 'bills of exchange' houses of London, Antwerp, Paris and New York." Everywhere in the Balkans and in Turkey I was told that, unless Britain, France and the United States had the military power to stop the Germans and keep these states within the orbit of democratic countries, they would have to conform to the economic system set up by Germany.

This attitude was merely one more warning that the Europe set up by the treaties was crumbling even before Germany had struck a blow; that Europe was on the same economic basis as the Europe prior to August 1914, —with the exception of Russia which was outside the orbit of the economic system controlled by the "bills of exchange houses" of London, Antwerp and New York.

The Baltic states—Lithuania, Latvia and Estonia—were in our economic orbit. They primarily owed their

Teheran, November '43 | Bretton Woods, July '44 | Dumbarton Oaks, August '44 | Hot Springs, November '44






independence to Britain and for a while directly depended upon British sea power.

The Central European states—Poland, Czechoslovakia, Hungary, Roumania and Yugoslavia—were primarily dependent upon France, particularly from a military viewpoint.

Both the Baltic and Central European states were intended to be a barrier against the Russian political and economical system; the latter frankly hostile to the "bills of exchange houses."

Italy was also within our economic orbit. She had fought on the side of the Allies and had thus played an important part in giving them dominance in the Mediterranean.

❖

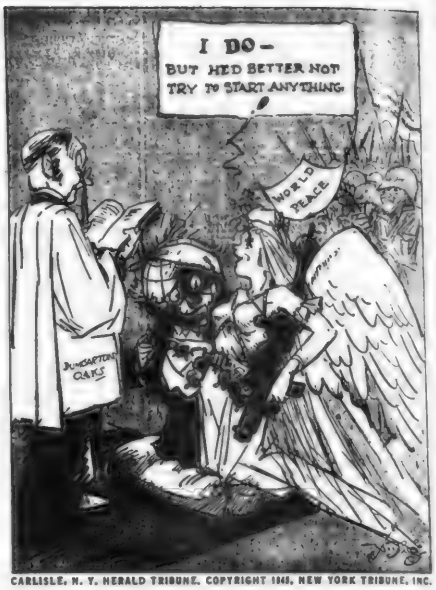
When Italy decided to expand into Abyssinia, the mistake was made of believing that economic pressure unsupported by sufficient force could stop her. The only result of this attempt to apply only economic sanctions was that Italy abandoned France and England, and joined Germany.

The time necessary in this war to drive Italy out of Africa, open the Mediterranean, invade Sicily and the Peninsula of Italy, meant that the British and American invasion of France came too late to obtain the maximum result. This invasion should have come at the time of Germany's defeat at Stalingrad when she was overextended in Russia. It came instead after the Germans had had the time to retreat out of Russia and into Poland. This meant giving her the time to shorten greatly her line of communications and greatly increase her available reserves because of this shortening and a much shorter front to be held.

From the end of the last war the French lent military and financial and economic aid to the small states of Central Europe set up as a barrier to the advance of the Russian Communist economic movement. As Britain withdrew more and more from the Continent and Germany began to rearm, France depended more and more upon these states to counterbalance the tremendous German superiority in numbers of population.

Austria was the first to go. France lacked the military power to stop Germany. Italy had supported an independent Austria. Munich was one more step to show the Central European states that France was too weak militarily to protect them; that the same was true of Britain and that Russia had no intention at that time of going to war with Germany.

In the peace discussions this time it is very important



CARLISLE, N. Y. HERALD TRIBUNE. COPYRIGHT 1945, NEW YORK TRIBUNE, INC.

Her Second Honeymoon

❖ ❖

that we understand that our present military power will largely determine how much we can get of what we want, provided we stand up for our own interests.

It is equally important that we understand that whatever we do get of what we want, can only be maintained by keeping sufficient force available to make it evident to any one who would like to challenge the economic system we set up that they can only do so by resorting to force and thus bringing on another war.

Otherwise, whatever system we do set up will inevitably fall to the ground and for the same reason as brought down the fall of the system set up by the treaties that terminated the last war.

The only way to avoid a repetition is to abandon the fundamental error so widely held in the democracies between the present war and the last one. That error is—that superior economic resources, unarmed or only lightly armed, can prevent the upset of the world by peoples with much weaker economic resources but heavily armed forces and the will to fight.

Chicago, November '44 | Yalta, February '45 | Mexico City, February '45 | San Francisco, April '45



PHOTOS WIDE WORLD AND PRESS ASSOCIATION

HARRIS

The War Bonds With One Loop Too Many

MYRON STEARNS

HENRY ROHMER, in charge of bond redemption at the Miners and Merchants National, glanced at the very tall, very thin, light-skinned colored man who came to his desk and presented two $500 War Savings Bonds, Series E. One thousand dollars is quite a bit of money.

"You have adequate identification, Mr. Brestony?" the banker asked, looking at the name on the bonds.

From the breast pocket of his well-tailored suit, the bond-owner extracted a beautiful leather wallet. The bank man noticed the fine quality of the hat and overcoat his visitor was wearing. This George Brestony, to whom the bonds were made out, evidently had plenty of money.

From his fine wallet the colored man took a Selective Service card, made out to George Brestony, at an address on L Street, N. W., Washington, D. C.; by Local Board X, Washington, D. C. There was also a Notice of Classification card, issued to George Brestony, of the same address, placing the bearer in Class 4-F.

"Very good," Mr. Rohmer said. "Excuse me a moment." He took the bonds and the two cards and went to the rear of the room, leaving the visitor beside his desk.

The tall, immaculate caller turned uneasily, apparently debating whether to sit down or remain standing.

At a desk in the rear room Rohmer picked up a phone.



"Get me the Secret Service," he told the bank's operator. And a moment later: "Secret Service? This is the Miners and Merchants Bank. A couple of bonds have just been presented for redemption that look as if the name might have been altered. Can you send an agent over? Ask for Henry Rohmer."

Within 10 minutes two agents were at Rohmer's desk. But their bird had flown.

"He was gone when I came back to the desk after 'phoning you," Rohmer explained. "I must have given some sign when I noticed that the second loop in that capital 'B' in Brestony didn't look quite right. He lit out without waiting to get back either his bonds or these Selective Service cards."

"Nice work in catching that phony loop on the 'B'," one agent commented. "Not many men would have noticed it."

"It struck me as being rather an odd name," Rohmer explained. "Especially for an American Negro. If he had been a Hungarian, now, or something like that, I might not have noticed. He certainly looked like a million dollars."

"Well," the agent said, "we'll see what we can find out, and let you know. It may take a little time."

As soon as they were back at Secret Service headquarters, the agents looked at the name "Brestony" through a magnifying glass. The enlargement showed clearly that "Brestony" was really "Preston," with an extra loop, which the bank man had noted, added to the "P" and a "y" put on at the end of the name. There was also an erased address that corresponded with the one given on the Selective Service card. Why should it have been erased? A telephone call to Washington brought the information that the true George Preston of that address had been robbed six months before. The thief had stolen valuable jewelry, two gold watches, a small radio, and War Savings Bonds with a total maturity value of $10,425.

AN accurate description of the tall forger went to the Washington police. The Selective Service cards, on the back of one of which could be discerned a faint imprint of a stamped city name that appeared to be "Buffalo," were forwarded to the Secret Service laboratories at Washington. A teletype to the War Savings Bond section in Chicago requested photostats of the bonds stolen from George Preston.

From the Washington police there came presently the notification that a light-colored Negro of the description given by Rohmer had been seen in the vicinity of the L Street address preceding the Preston robbery.

From the Secret Service laboratories came word that the Selective Service card bearing the name George Brestony showed, under ultra-violet light, that the card was originally made out to James Allerby, and that the issuing board was in Buffalo, New York.

From Chicago came word that $6,500 worth of the bonds stolen from George Preston had been cashed!

Secret Service agents at Washington, armed with the fact that the Selective Service card had originally been issued to James Allerby, learned from police files that James, with various aliases, was a convict who had escaped from a chain gang in South Carolina. Although only 25 years old, he had a 10-year record of incorrigibility, larceny, house-breaking and robbery.

Next, Secret Service men visited the Selective Service Board in Buffalo. "Allerby" had given the address of his sister. From the board agents learned that the registrant had been a patient in a Buffalo hospital, and was classified as 4-F because of tuberculosis.

(CONTINUED ON PAGE 111)

Helping Small Industry Grow

ANNE REEDY GARDNER

In view of the program sponsored by the Post-War Small Business Credit Commission of the American Bankers Association, this article on the uses of research by industrial customers of banks is particularly timely. The author is materials editor of Modern Industry.

To the banker who understands the problems of the small manufacturer and can advise him properly, the new nationwide plan for loans to small business offers a golden opportunity.

After all, a business need be small only at the start. If it can meet its competition through research, by finding new and better products, improving its methods of operation, and cutting its manufacturing costs, there's almost no limit to the size it can attain. And the larger it grows, the larger its deposits and banking business will be.

Of course, most small companies can't afford to set up large research laboratories and hire a corps of engineers to study their problems. But they can find the answers at a reasonable cost by turning to outside research laboratories set up for that purpose. Here they can share the use of even the most expensive machines, the most skilled technicians, at a fraction of their cost.

As a matter of fact, many companies having well-established laboratories of their own often consult outside research laboratories when skills or instruments not represented in their own organization are needed.

Where these laboratories are, and what they can do, is the concern of every small manufacturer—and of the bank that lends him money.

Machines like this metallographic microscope at Battelle Memorial Institute, Cincinnati, are too expensive for most manufacturers to buy. But any manufacturer can share their use by taking his problems to an outside research laboratory



There is more than one instance of a once-prosperous industrial firm which sat back, content with what it was doing, and soon found other companies passing it by. For example, a manufacturer built up a large organization for making animal sausage casings. One of his employees, Erwin O. Freund, believed that synthetic casings might be far superior to the natural product. But the company was satisfied with its product, uninterested in research. So Mr. Freund took his idea to the Mellon Institute, an outside research organization, and financed the work himself.

Over a period of 10 years, the laboratory perfected the synthetic sausage skin and its method of manufacture. Today Mr. Freund is president of the million-dollar Visking Corporation of Chicago, which manufactures these synthetic sausage skins.

On the other side of the picture, research, improperly used, has brought at least one company to the brink of failure. Too much money spent on research, and expansion into too many lines, doesn't help any company's balance sheet. A research "spree," like any other overindulgence, leaves uncomfortable results.

Thus the question of how much money to spend on research is important. Estimates for the "average" company vary from 2 per cent of net income to 5 per cent of gross income per year. Long-term research into fundamental processes may cost $50,000 or more, but the majority of the research projects of the small company will probably fall into the $1,000 to $10,000 a year class, with the mean being about $8,000.

Until a few years ago research expenditures were considered as a part of operating expense and were exempt from taxation. Today the Treasury's position is not quite so clear-cut. There is some tendency toward requiring that all or part of such expenditures be capitalized. This question should, therefore, be carefully studied by your tax experts when a research program is under consideration.

In planning a research budget, it's better to over- rather than under-estimate. Research organizations can not guarantee results, nor can they tell you exactly how long a given project will take.

But, even before deciding on his research budget, the manufacturer must know what needs to be done. It is possible to hire an industrial consultant who will go through a plant and decide, without any help from the manufacturer, just what is required. It's far better, particularly from the long-range point of view, for the manufacturer to have someone on his staff who, if he isn't a scientist himself, at least understands research methods and is alert to the needs of his company. Furthermore, because he must make his plans five or ten years in advance, he should be a man who has a voice in the future of the company, a member of its

policy-making group. When such a man is available—and not before—the company is ready to turn to outside research laboratories for advice.

Although their functions overlap to some extent, these laboratories can be divided into groups on the basis of their types of service:

The function of government research agencies is primarily the study of problems too large for any private group to undertake, and those questions directly affecting the national health and welfare.

For example, the work carried on by the Department of Agriculture relates to the fundamental problems of food, clothing, and shelter. Five regional research laboratories study agricultural products from the point of view of making them useful to industry. It was one of these laboratories which developed the well-known "apple honey," used as a substitute for glycerine in cigarettes.

Research projects are also carried on by a number of bureaus in the Department of the Interior, the Department of Commerce, and the Public Health Service. Here, in every case, it is the Government which initiates the research. Industry can share its results, but no single manufacturer can claim them for his own.

For instance, the main job of the National Bureau of Standards in Washington, D. C., is the testing of materials offered for sale to the Government, and the maintenance of the national standards. Within the scope of its activities, it is glad to discuss with any manufacturer the properties of materials, suitability of various products for particular uses, and significance of industrial developments.

The Bureau of Standards will referee tests where private laboratories are unable to agree on methods of measurement. It will test any material against the national standards. But it will not compete with private laboratories, nor will it make tests whose primary object is sales promotion.

GOVERNMENT services have the advantage of being free, or very inexpensive, but they have two serious drawbacks: Government (and state-owned) institutions will not accept confidential projects, and they will not grant patent rights.

These disadvantages are shared by the other source of free information available to the manufacturer—his suppliers. Many large companies maintain sizable laboratories for the purpose of advising their customers, and are glad to offer free service. However, before a manufacturer consults a supplier of any product or material, he must be sure that what he needs is made by that supplier and no other.

In view of these limitations, the small manufacturer will generally find it to his advantage to consult a private research laboratory which will not only keep his project secret, but also give him complete patent rights.

Private research laboratories can be divided into three categories on the basis of the work they do:

First, there is the large research foundation organized primarily to carry on long-term research directed toward fundamental changes in the company's products or methods of operation. The three big endowed research institutes (Battelle Memorial Institute, Columbus, Ohio; Mellon Institute, Pittsburgh; and Armour Research Foundation, Chicago), a few of the larger commercial organizations, and some university research divisions fall into this category.

In the second group are the analytical or testing laboratories such as those listed by the American Council of Commercial Laboratories. These organizations offer rapid, commercial service on small, definitely-outlined problems relating to control or trouble-shooting. Products are analyzed to determine whether they infringe patent rights or meet set standards.

Finally, there is the trade association, which works on problems common to a whole industry or group of industries. Some of these trade associations take their problems to commercial laboratories, but others have laboratories of their own.

In a few cases, trade groups have banded together solely for the purpose of setting up a research laboratory which will serve their common interests.

Whichever laboratory is chosen, remember that research is, and always has been, a gamble. Reputable research laboratories do everything they can to minimize the risk, and will not undertake a project without thorough investigation. Nevertheless, as Dr. Westbrook Steele of the Institute of Paper Chemistry points out, "You can not buy research by the pound, yard, or gallon."

Generally, therefore, you and the manufacturer will have to make your own selection. One of the best ways to do this is to visit all the laboratories in your area. This will acquaint you with their methods and facilities, and give you an idea of what they can do for you. When you find a laboratory that seems to meet your needs, speak to some of its former clients and find out what it has done for them. But judge the laboratories on the basis of performance rather than cost. There are no bargains in research.

Some Suggestions

There are a few "Do's" and "Don't's" for both bank and the manufacturer if a customer is going to embark on a research program:

DO make sure that someone in the company takes full responsibility for directing research. DON'T put research in charge of a minor executive, or divide the responsibility.

DO consider the research program as a definite, permanent part of the company's policy. DON'T treat it as a luxury and cut it first when you think the budget needs downward revision.

DO shop around before a research contract is signed. DON'T let your customer employ an organization until you know what it has done and what it can do for him.

DO have confidence in the organization that is finally employed, and cooperate with it. DON'T permit a research project to be dropped until it has really been given a chance.

DO see that research reports are put to work. DON'T let them die on the shelf.

Happenings

PUBLICATION of unauthorized scare stories that large denomination bills would be called in led to the return of many such bills to banks.

★ ★

SETTING a new low interest rate record on preferred stock, Corning Glass Works arranged for flotation of 50,000 shares carrying 3½ per cent.

★ ★

CLARENCE FRANCIS, *General Foods chairman, told stockholders "it seems clear that it will be absolutely impossible for the United States to feed the world." Shortages will be general in 1945.*

★ ★

CANADA negotiated its first post-war government loan under the Exports Credit Insurance Law—$15,000,000 to Czechoslovakia for purchases of Canadian goods.

★ ★

BRITISH merchants announced they would begin "buying American wine in quantity after the war."

★ ★

IMPENDING general elections in the Philippines have revived question of independence for Puerto Rico and statehood for Alaska and Hawaii.

★ ★

TOTAL RESERVE BANK credit reached new high of $20,767,000,000 and government holdings of Reserve banks attained record of $20,090,833,000 as of April 11.

★ ★

FIDELITY UNION TRUST COMPANY, Newark, New Jersey, inaugurated a new banking service to grant long term loans to business, amortization to fit the needs.

★ ★

MISSOURI adopted a new constitution regarded as outstanding forward step for banking and state. New taxes, based on annual yield or income, not to exceed 8 per cent.

★ ★

A PROGRAM for recruiting and training new personnel for investment banking was inaugurated by the Investment Bankers Association of America, Chicago.

★ ★

PRIVATE and government surveys indicate a land boom confined not only to farms but to urban real estate as well.

★ ★

GUARANTY TRUST COMPANY of New York has reopened its Paris office.

★ ★

TOTAL deposits of the 13,268 insured commercial banks were $125,752,000,000 on December 31 last, an annual gain of $21,636,000,000 or 21 per cent, according to the FDIC.

★ ★

"FLEXIBILITY" will be the keynote for the various invasion currencies. Some governments will be required to redeem this money, others not, or only partly.

A SYNDICATE of New York banks headed by The National City Bank made a $16,000,000 loan to Norway, available after the war, subject to review of conditions then. This follows the Chase syndicate credit to Holland of $100,000,000.

★ ★

PRIVATE enterprise needs no Federal subsidy of any kind to carry out most optimistic post-war construction estimates, said L. E. Mahan, St. Louis, president of the Mortgage Bankers Association of America.

★ ★

STUDY of Treasury announcement of Seventh War Loan rates and maturities leads to conjecture as to double yield pattern, lower one for bank-eligible issues and continuation of the old rates for bank-ineligible obligations.

★ ★

PRIVATE utility industry plans spending $290,000,000 to electrify 1,000,000 more rural homes by 1948.

★ ★

FRANCE will get 700 locomotives for $84,000,000 built by American, Baldwin and Lima.

★ ★

ALEXANDER E. PATTERSON, executive vice-president of Mutual Life, urged establishment of international association of life insurance to promote life coverage as antidote to fascism and socialism in the world.

★ ★

THE U. S. is now selling war surpluses at the rate of $1,000,000 a day.

★ ★

ONE more railroad refunding issue, Reading, was offered with no apparent diminution in the willingness of bidding bankers to give carriers money at favorable rates.

★ ★

NEW YORK Stock Exchange revived its former custom of publishing monthly debit and credit balances as well as cash of member firms to give clearer market picture.

★ ★

THE British Treasury has instructed banks to pay one-half of 1 per cent interest on foreign balances, interpreted as a bid for European trade.

★ ★

A $15,000,000,000 annual construction market is forecast by Associated General Contractors of America, Inc., of which $10 billion would be private, the rest government building.

★ ★

PRIVATE *enterprise can build and maintain housing developments for lowest-income groups cheaper than the Government, asserted the National Industrial Conference Board.*

★ ★

THE 131 New York State mutual savings banks gained $104 million in new deposits in March, highest monthly record.

Banks and the Seventh War Loan

THE nation's 15,000 chartered banks will participate in a coordinated program to assist the Treasury in reaching its $14 billion goal in the Seventh War Loan campaign through a countrywide organization set up by the Committee on War Bond Drives of the American Bankers Association under the leadership of Tom K. Smith, president of The Boatmen's National Bank, St. Louis, Missouri.

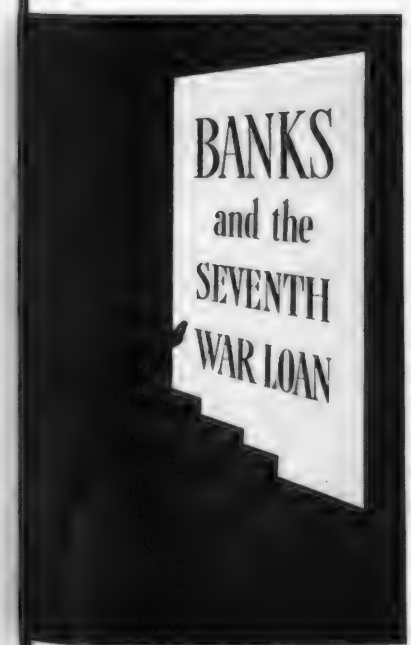
The A.B.A., as the representative of American banking, set up a special organization early in the war to assist the Government in its financing problems. This group includes the Committee on Treasury War Borrowing, of which President W. Randolph Burgess is chairman, and the Committee on War Bond Drives, of which Mr. Smith is chairman. The latter group includes representatives from various parts of the country and works closely with the A.B.A. state War Bond chairmen and special state chairmen representing the mutual savings banks.

The work of the state chairmen is varied, according to the needs of each state, but mainly they provide a liaison between the Treasury's War Finance Committee in each state and the banks and the state banking associations.

The Association's program for the Seventh War Loan drive is directed toward stimulating sales to individuals through personal solicitation.

Seventh War Loan Booklet

To aid the banks and their staffs in soliciting individuals, a booklet—"Banks and the Seventh War Loan"—has been issued by the A.B.A. It contains useful information in connection with the drive and suggesting numerous merchandising ideas that have been found effective in previous War Loan campaigns.



Cover page of A.B.A.'s Seventh War Loan booklet. Actual size of booklet 6 x 9

Simple in its presentation, the booklet tells at a glance by means of charts and graphs (1) where the money used in financing the war comes from and (2) where the money goes; (3) the sources of individual income and (4) the uses made of such income; (5) the wartime savings of individuals; and (6) how individual sales of War Bonds counteract inflation.

Among the useful merchandising features of the manual are (1) a calendar for the War Bond campaign period, which suggests activity procedure throughout the drive to insure maximum results; (2) a War Loan report form, with instructions on how to use it; (3) staff competition suggestions; (4) ideas on how to make good use of lobby and outdoor displays; and (5) brief discussion of the why, how, when and where technique of selling War Bonds to farmers.



UNDERWOOD AND UNDERWOOD

TOM K. SMITH
Chairman
A.B.A. Committee on War Bond Drives

The membership of the A.B.A.'s organization for the Seventh War Loan drive will be found on page 114.

Promotion Aids

Under the heading, "Promotion and Advertising," the War Loan booklet outlines briefly steps that should be taken to inform the public of the record made by the banks in selling War Bonds. Following this is a list of promotionary material designed by the A.B.A.'s Advertising Department to stimulate sales to individuals and available to the banks at production cost, as follows: (1) a four-page letter containing (a) individualized message, (b) basket of securities, and (c) order form; (2) four-page folder for direct mail use, featuring order form and blank check for customer convenience; (3) three newspaper advertisements; (4) War Bond envelope, and (5) two posters. Also listed is speech material for radio or platform use prepared by the Association's Committee on Public Education and 13 different kinds of promotionary material available from the Treasury Department without charge to the banks through state War Finance Committees.

In conclusion the booklet emphasizes the quality and variety of the investments offered in the Seventh War Loan campaign—securities suitable for every type of investor—and again emphasized the importance of personal contact in sales to individuals.

(CONTINUED ON PAGE 123)

CONGRESSMEN'S MAIL

U. V. WILCOX

MR. WILCOX *is Washington correspondent of the* American Banker *and publisher of a banking news letter.*

ALL reports to the contrary notwithstanding, members of Congress—Senators and Representatives—do read their mail. That is, some of it. There are cynics who have alleged that writing Congressmen and Congresswomen is a waste of time and effort, and only serves to lift postal receipts. And this allegation is often true. Despite such assertions, which would seem to be antagonistic, pressure groups, legislative committees representing national organizations are continually urging their members to write and wire their support (or their protest) to Senators and/or Representatives.

The purpose of this article is merely to inform, and possibly explain, why some communications to Congress are effective and others useless.

The fact is that members of Congress are discriminating readers of the mail that comes to their offices several times a day. After a few sessions in either the House or the Senate, they are adept in sorting a stack of letters and other communications, including telegrams, choosing those they think will interest them. These they take into their inner offices to read, digest and perhaps answer.

Senators and Representatives (the Library of Congress is authority for saying that "Representatives" is preferred over "Congressmen") have no established rules on the handling of their mail. Each works out his own system, which is the result of early training, his experience in office routine and available time. Generally speaking, the habits that obtained when he was in his home town are carried forward to his office in the national capital.

THE written communication may be impressive to one type of mind while the spoken word is more impressive to another. One man may read easily and quickly appraise the strength of the argument presented in a letter. Others read slowly and depend upon long distance telephone conversations, or the insistence of party leaders, to determine their course of action.

The importance of the day's mail to members can never be accurately appraised, chiefly because individuals are not easily cataloged, despite the efforts of political writers and test-conscious psychologists. It can be asserted, however, that the contents and even the quantity of mail reaching a member exercises very considerable influence. The Congressman's mail at times certainly is persuasive in determining his vote on bills and programs. This is true because the day's mail is the primary link between his constituents and his job. His mail is the constant contact he has with those who helped him get his place in Congress. It is also the cheap, effective, democratic route for expressing criticisms of his actions.



HARRIS & EWING

Sorting of Congressmen's mail starts at 4 A.M.—first delivery is made at 8 A.M.

The new Senator or Representative has been known to look forward eagerly to his mail, especially after being called upon by a reporter or radio commentator whose output is widely disseminated in the member's state or district. He may come to Congress with admonitions from friends whom he respects, and upon whom he relies for help. He may feel that his every move is being watched by his constituents.

Certainly, at first, all mail that reaches the new and eager Congressman is carefully read; certainly its contents are noted. Probably in the early days most of the mail is personally answered, each sentence being as carefully weighed as a public document. The new Congressman may believe the reply will be published.

But it isn't long before the new member discovers that his mail is a challenging assignment from which there is no escape. He also finds there is no longer time to read all of it carefully. When this point is reached, as it is sooner or later, the Representative or Senator turns the mail over to his secretary for sorting. And then, depending upon the capabilities of that secretary, any communication must be important or personal enough to impel the secretary to put it on the member's desk.

THE member as the representative of his state or district is presumably anxious to reflect in Congress the opinion of his party and his constituents. How, then, can letters be written by individuals and by policy-making officials in finance, business and industry, so as to inform, and aid members of Congress?

There are certain more or less obvious rules to be followed in writing to one's Senator or Representative. Yet, despite the obviousness of such instructions, it remains a fact that they are often disregarded.

First and foremost, the correct name and title of the member should be used. If a Representative, the letter should include that title and not address the member as a "Senator." As obvious as this is, strangely enough,

much mail comes in addressed to a "Senator" who is a "Representative," and vice versa. It is delivered because the mail distributors at the Capitol are unexcelled in knowing names and offices. Still, it is not very complimentary to the member to know that the correspondent didn't even know what position he held.

But more revealing in such faulty addresses is the fact that the writer sent the communication because he was asked to do so by some pressure group. In fact, the pressure groups quickly reveal their tactics in the mail that flows into the House and Senate office buildings.

The pressure mail, including telegrams, has been so much abused that it has now largely established its own limitations. Broadly speaking, the pressure mail has resolved itself into two classes: Either a tremendous amount of it, numbering into the thousands of letters or telegrams; or else the comparatively few, carefully written by friends or acquaintances of the member, pointed up, and concisely phrased. There may be enclosed needed supporting documents.

Second in importance in any mail to members of Congress, is the appearance of the letter. It is probably true that a typewritten letter will be more easily read and will get its message over more quickly than a handwritten letter. However, the personally written letter, in longhand, can be most effective. It will reach the member's attention, if it is easily legible, is sincere, and is signed by individuals showing some acquaintance with the subject under discussion.

THE letter-writer who lives in the home town of the member will have an initial advantage over one which is far removed. The good letterhead, the properly addressed envelope, the clear statement of argument for or against, will have weight, and especially so, if the subject is timely, or if it is indicative of developments, soon to transpire.

Bankers, and representatives of all financial organizations, have never been heavy letter writers to members of Congress. There have been a few instances when they have been stirred to express themselves, as in cases where branch banking was an issue back in the days of Huey Long, or more recently when Regulation Q was a lively issue. By and large, both excursions into legislative programs of Congress proved effective.

Hourly delivery of mail is made to Members of Congress

HARRIS & EWING



Bankers—some bankers—could greatly help their Senators and Representatives if they would take the time and expend the effort. The average member normally shies away from banking matters, and almost always welcomes friendly counsel and advice but especially information. However, when this is attempted it is most important for the writer to familiarize himself with the subject as it is presented in a bill or program. An understanding of government organization, bills, legislative procedure and how committees operate, will make the communication much more effective than most letters received.

THERE exists a wealth of published material on and about Washington, which includes legislative procedure. A little time each week will prove most helpful in providing the background and the inspiration for the helpful and influential letter to a member of Congress.

Here are a few rules for those seeking to inform, guide, criticize and instruct officials who speak for them on the floors of Congress:

(1) A correct spelling of the member's name and title. It is not necessary to know his room number in the Senate or House office buildings.

(2) A concise letter, not longer than a typewritten page, is more effective than a long one, unless the member requests more information.

(3) Indicate some knowledge of the subject matter as it is presented in Congress, avoiding, if possible, aspects unrelated to the bill or the legislative program.

(4) If a bill is pending before a special committee, it will help greatly to give the number of the bill and the name of the committee.

(5) Enclosures relating to the subject under discussion may properly be included, and oftentimes will be appreciated. When there are clippings from newspapers, mark the name and date of the newspaper on the margin.

(6) Remember that a friendly approach is more effective than a belligerent one. Assume, at least for the sake of courtesy, that the member is performing his duty as he understands that duty.

(7) A friendly letter or a telegram in appreciation of a member's vote, or his speech, can pave the way for a later letter which may disagree with his views.

(8) Don't expect an answer, but if one is received, it will provide some evidence of accomplishment.

(9) Don't, unless invited to do so, address the member at his home. He deserves some measure of privacy. Furthermore, he is able to give the letter better attention at his office.

(10) The time to think about writing effective letters is when the Senator or Representative is campaigning. Then friendly acquaintanceship, some mutual contact, will pave the way for later influence. And this applies regardless of party allegiance.

Consumer Loans by

This contributor to BANKING'S *consumer credit series is vice-president of the Security – First National Bank of Los Angeles.*



Mr. Albright

THE 61 per cent increase in our consumer loan volume last year was due to a combination of factors, each of which bore a relationship to the others; without any one of them results would have been less satisfactory.

Undoubtedly the most important factor was the increased knowledge and "know-how" of our staff. Today's customer translates the term efficiency into another word—*speed*. This is particularly true in highly industrialized areas. The prospect, in order to obtain his loan, must get time off from the factory. His visit to the bank costs him from $5 to $10 in lost pay before the conversation begins. If, therefore, he is required to cool his heels in some stuffy lobby waiting for a leisurely loan officer to hear his case, he is apt to walk out. Nor is he pleased when asked to come back two days later, at additional expense, to hear the verdict on his application. Today's circumstances require that he demand and get "one-stop" service. If he can't get it at the bank he will, and does, go elsewhere.

Two major aids in meeting this situation are the telephone and the mail. At our bank we constantly urge personal loan applications by telephone. It takes but a moment for the prospect to call the bank during his lunch hour, give his name and address, a few facts about himself, and the amount he wishes to borrow. When he calls at the bank later, he finds a practically completed transaction awaiting him.

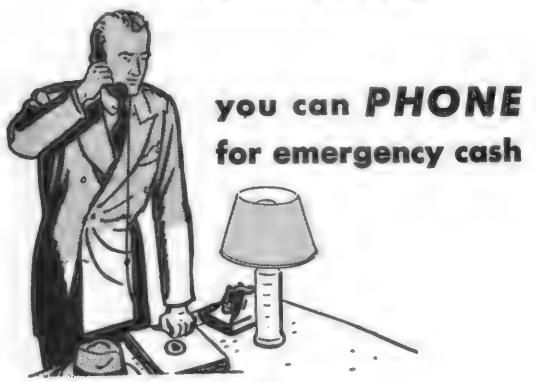
Mailing an application blank to prospects in advance also speeds up service. In very active industrial areas, this plan is very effective. We mailed out more than 150,000 short-form application blanks last year. The application blank itself is planned as a business-getting item. The entire form covers but one side of a letter-size sheet of paper. Questions are in large type, easily read and answered. We want the borrowing transaction to look simple and easy. The short-form application blank contributes greatly to this result.

We have also published the application blank in the newspapers. For some reason, however, results have not been as good as when we mail the blanks direct to the home.

The bank staff's appreciation of the need for speed and a sympathetic understanding of the needs of the borrower are cornerstones of personal loan success. About 25 per cent of our more than 100 branches have developed a really super-super service. These branches could gain business in almost any kind of a market. Good word of the speed and consideration they show is passed on from one borrower to another, until finally the whole community is aware that the X branch is an ideal place for a consumer loan. A consistently high volume is the inevitable result.

Making a substantial contribution to our growth last year was the policy of opening special personal loan departments at larger branches. The pattern of all of these is the same. A member of the staff is placed specifically in charge of personal loans. Minor changes are made in the fixture line or officers' platform to give this man a conspicuous place, properly marked near the front of the bank and devoted entirely to consumer credit. The purpose is to convince the customer that loans of this type are a regular part of the bank's business, and that the chances of rebuff or embarrassment are remote. With the opening of the new department, we use an illustrated mailing piece, containing an application blank, which is sent to the entire trading area served by the branch. Large display advertising in neighborhood papers is also used calling attention to the new service and showing pictures of the new department and the new manager. Cordial invitations are extended to the community to use the enlarged service. Results of this type of promotion have been very good.

Part of a Security-First newspaper ad



Phone this Bank whenever you need a personal loan quickly. Simply explain your need to a friendly loan officer, who will act promptly.

Mail and Phone

D. Z. ALBRIGHT

CREDIT CARD

Security-First National Bank
OF LOS ANGELES

This certifies that:_____
has established a preferential credit rating with this Bank. Prompt service is to be accorded upon presentation of this card at any branch or office.

DATE_____
GOOD FOR 1 YEAR FROM THIS DATE — BRANCH OR OFFICE
C. L. I. L., COL., R.E.L.

AUTHORIZED SIGNATURE

The credit card

During 1944 we supplemented our enlarged consumer loan service with advertising promotion in many mediums. We used a substantial amount of radio. This took the form of 100-word commercials on 15-minute newscasts, plus 35-word announcements over stations scattered from Fresno to El Centro. These announcements are contracted for, placed and paid for by the individual branches. The head office provides only a copy service.

In Los Angeles and a few adjoining cities we also use streetcar cards and bus cards. On all of these we carry a table of monthly costs. We think this is one of the most valuable features in any personal loan promotion program. In many cases where actual personal loan transactions are taking place, we find that the customer has informed himself in advance regarding the cost of the loan. We do not think any generalities will take the place of a definite statement about this. Our table shows both the monthly payments and the charge, for various amounts borrowed.

For direct and immediate returns it is difficult to beat the classified sections of daily and weekly papers. Some banks still feel that want-ads are beneath their dignity. The prospect does not view the matter in this light. When he needs credit, he looks under "money-to-loan" in the classified section of the daily paper, and if he finds a bank outlining a favorable loan program he is very apt to give it a trial. If you grant the loan and he likes your service you have made a friend.

In newspaper display advertising, which has always been important to our personal loan promotion, we try to carry an air of assurance to the borrower that he will not be rebuffed. One of our favorite headings reads: "Nine out of ten applicants get the money they ask for." Why do many good bank customers borrow elsewhere on personal loans and pay double or triple the bank rate? For only one reason—they fear we will not approve a loan to them. We try in every way to break down this prejudice.

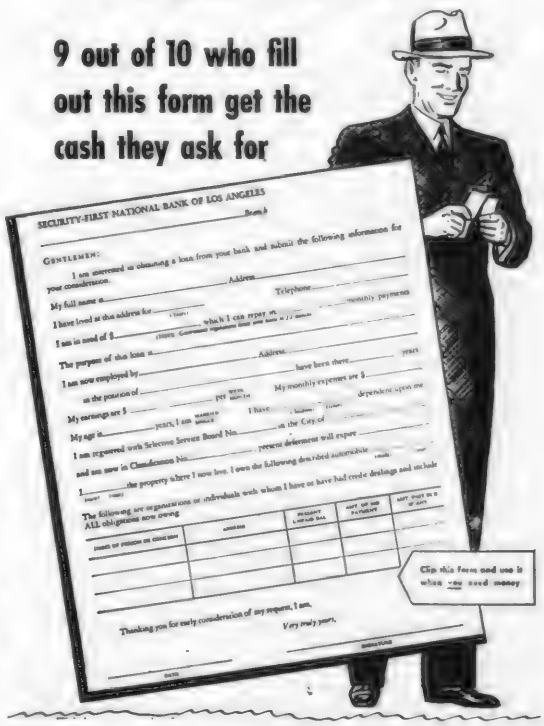
A properly used credit card is one of the major factors in obtaining repeat business in personal loans. Few men and women are not intensely proud of their credit standing. Cater to this pride and you make friends. Every borrower from us on a consumer loan who makes prompt payments receives a letter from us complimenting him on his promptness, assuring him that we consider him a preferred type of customer. As proof we enclose a signed credit card entitling him to extra consideration at any one of our 115 branches. Nor is the credit card merely a gesture. A man who has once shown he is credit-worthy at our bank is entitled to and gets the extra consideration his good record has won for him.

A credit card system is a great help in rendering the one-stop service that today's prospect demands. Suppose you are a branch manager. A worker in tin helmet and rough clothes comes in for a loan. You never saw him before, but out of the folds of a greasy purse he brings a blue card indicating that he has borrowed from us before and has made his payments promptly. Would that not help you to make a quick decision on his application? Of course it would.

In addition to the standard advertising mediums we use many blotters, statement inserts, folders, etc. The consumer loan business requires more promotional work of a mass character than is feasible for large commercial loans or for some other bank services.

Many banks are not yet accustomed to the higher promotional costs that characterize the handling of consumer loans. Develop a fast, competent service, advertise it, and your share of the business will come.

A loan application blank sent by mail



WASHINGTON

Administrator Snyder

JOHN W. SNYDER, vice-president of the First National Bank of St. Louis, was named to the post of Federal Loan Administrator by President Truman just four days after the new President took office. Mr. Truman's first important appointment was greeted with widespread approval by the press, public, and government officials.

Mr. Snyder, a long-time friend of the President, has been in the banking business since serving in World War I. He was executive vice-president and director of the Defense Plants Corporation, and assistant to the directors of the Reconstruction Finance Corporation from 1940 to January 1, 1943, when he became vice-president of the First National Bank of St. Louis. From 1937 to 1940 he was manager of the St. Louis agency of the RFC, and from 1930 to 1937 acted as liquidator of national banks in the Insolvency Division of the U. S. Comptroller of the Currency.



John W. Snyder

PRESS ASSOCIATION

Big Bills Not Being Recalled

Although there has been talk of calling in large-denomination paper currency as a means of getting at tax evaders and black market operators, the Treasury Department indicates no enthusiasm for the proposal. Officials comment that calling in big bills would simply result in the substitution of small bills, at added public cost, and that the situation thus would only be made worse, without accomplishing the intended results.

In Britain during 1943 the Bank of England ceased issuing bills of £10 or more. In January 1945 the bank took the power to recall oustanding notes of £5 and over; and on March 24 it exercised this power by calling in bank notes of £10 and over, which cease to be legal tender as of May 1, 1945. Officials observe that the earlier British step only temporarily interrupted the increase in currency outstanding. A main purpose of the British measures, it should be noted, has been the control of outflowing capital, especially the operations of enemy agents.

President Truman addresses Congress



PRESS ASSOCIATION

Bank Holding Company Bill

At the instance of the Federal Reserve Board, the House and Senate banking committee chairmen recently introduced a bill which aims to "freeze" existing bank holding companies. Whether the two committees will hold hearings on the bill is somewhat questionable at this writing, in view of other important matters pending.

The Treasury has long favored the "death sentence" for bank holding companies, rather than mere "freezing." Several years ago the Treasury supported a death sentence bill introduced by Senator Carter Glass. Whether the Treasury gives the committees its official opinion of the present bill depends, it is said, on whether the committees decide to hold hearings. This is taken as an indication that the Treasury is not very enthusiastic about the bill. While the Treasury—as well as the FDIC—interposed no objection to the present bill's introduction, officials favoring an eventual death sentence regard the new bill as leaving too much room for administrative discretion.

Reserve Board Chairman Eccles' argument for and description of the bill—which was drafted at the Board because "numerous individual banks and associations of banks . . . importuned"—was published on page A1594 of the March 26, 1945, *Congressional Record*. The Board's case for this type of legislation was set forth at some length in its 1943 annual report. There the Board stated its view that existing law is inadequate to control bank holding companies and their expansion in banking and other fields of their choosing. It concluded that "the device lends itself readily to the amassing of vast resources obtained largely from the public which can be controlled and used by a few people and which give to

them, when they choose so to use them, an unfair and overwhelming advantage in acquiring additional properties and in carrying out an unlimited program of expansion."

If hearings are held on the new bill, it will hardly be before Summer of Fall.

Regulation Q

In harmony with the Federal Reserve Board, which thinks something should be done to enforce its 1943 interpretation of Regulation Q, the Comptroller of the Currency has written to various banks—mostly in the South—asking for the opinion of the respective bank's counsel as to whether the bank has not been absorbing exchange for the purpose of retaining or soliciting deposits. In Treasury circles these letters are said to constitute the least possible "crackdown." It is pointed out, moreover, that, as is customary with the Comptroller's office, the letters were addressed to the boards of directors of the banks. Some Federal Reserve banks reportedly have sent out similar letters to state member banks.

The impression obtained in Washington is that these letters were sent out selectively, to banks heretofore least responsive, and that there will continue to be exerted on such banks the constant pressure of administrative disapproval, with the idea of wearing down the banks concerned and ultimately gaining recognition of the outlawing of the practice of exchange absorption covered by the Reserve Board's September 1943 interpretation of Regulation Q.

It is regarded as unlikely that the above-mentioned pressure will result in the reintroduction this year of the Brown or Maybank bills. Legislatively speaking, the House of Representatives was not supported by the Senate last year, and therefore the next move is up to the Senate.

New RFC "Blanket Participation Agreement"

The RFC has inaugurated a "blanket participation agreement," under which banks may arrange for RFC participation in loans of up to $250,000 with maturity not exceeding 10 years from the date of first distribution. Under this arrangement, in contrast to normal RFC practice, each loan will not require the RFC's approval of its participation in advance. The bank will merely notify RFC of the loan details and of the share—up to 75 per cent—which it wishes RFC to assume in accordance with the scale of participation charges incorporated in the agreement. Bank credit groups will be eligible to enter into "blanket participation agreements" with the RFC.

Taxing Speculative Profits

Having in mind primarily the current speculation in real estate, Marriner S. Eccles suggested to the Senate Banking and Currency Committee a special 90 per cent tax on profits from the sale of capital assets acquired after a specified "cut off" date and resold within two years. This proposal Mr. Eccles has had in mind for more than a year.

To discuss ways and means of curbing speculation—whether by such a tax as Mr. Eccles suggests, or by lengthening the period of holding assets regarded as "short term" in the capital gains tax law—Undersecretary of the Treasury Daniel W. Bell, William H. Davis and Judge Vinson a few weeks ago called on Chairman Doughton of the House Ways and Means Committee and planned also to talk with Chairman George of the Senate Finance Committee. At the House it was suggested by Mr. Doughton that the group gather more exact information on the extent and degree of speculation existing and return for another conference.

If Congress decides to act in this matter, the odds seem to favor not the Eccles suggestion, but rather extending beyond six months—say to 36 months—the period during which capital gains are, for tax purposes, regarded as short-term and hence taxed along with current income. Congress is more familiar with that method of taxation.

Stock and commodity exchange speculation has also come in for some attention. While there has been some talk of increasing stock exchange margins from the present 50 per cent to 100 per cent, a matter within the province of the Federal Reserve Board, no action is at this writing indicated. The subject is kept under constant observation at the Reserve Board, which several weeks ago raised margin requirements from 40 per cent to 50 per cent. Of more concern than the price of stocks right now in Washington is the level of real estate prices.

HERBERT BRATTER

President Roosevelt's funeral cortège

HARRIS & EWING



Building for the Future

Retooling Some Mortgage Machinery

MILES L. COLEAN

This is the third in MR. COLEAN'S *series of articles based on* BANKING'S *annual round table on building.*

IN THE common law anything was recognized as real estate that was solidly built upon the land or so firmly fixed to a structure that its removal left visible damage to the structure. Whatever could be defined as real estate could, of course, contribute to the security of a real estate mortgage loan.

At first, definition was comparatively easy, for the structure was principally a matter of walls, floors, and roof. Although there were always some debatable examples, the question of what was fixed to and part of a structure and what remained personal property by virtue of its removability was generally determinable. The fireplace was the heating plant and cooking facility. There were no plumbing or plumbing fixtures, no wiring, no electric fixtures and equipment, no gas appliances.

The history of fixtures has been a double one: the quantity of fixtures has increased, while the fixtures themselves have tended to become less definitely fixed. These trends continue and promise to result in some complex problems both in law and finance after construction has resumed.

As the matter stands today, there is little question about the realty character of plumbing and plumbing fixtures, wiring and lighting fixtures bolted or screwed to the walls or ceilings, and heating plants that are connected by ducts or piping. In many places custom has added the cooking range, even of the plug-in electric type, to the class of realty fixtures. The mechanical refrigeration is gaining similar acceptance, though opinion still widely varies.

To this list the post-war era will bring pressure for including other items of gas and electrical equipment: washing machines, laundry dryers, ironers, dishwashers, deep freeze units. There may also be a trend toward built-in or semi-built-in furniture—wardrobes, beds, cabinets, dining tables and seats—which may create border-line problems.

Moreover, along with the increase in these items, certain parts of the house which formerly caused no concern may, with advancing techniques, raise new controversies. Removable partitions, and partitions made up of interchangeable cabinet and furniture units are around the corner. These may be only lightly fixed to the structure or, indeed, may stand without rigid attachment. The introduction of panel construction for walls, floors, ceilings, and roofs may even raise the question as to whether the structure itself in such cases is any longer fixed.

To the lender these questions are far from academic. On the one hand, he has the archaisms of law and supervisory practice. On the other, he has the pressure of builder and borrower for more comprehensive financial mechanisms. At the 1945 BANKING round table, no subject created more interest or resulted in more extensive discussion.

The trend in building, it was made clear by several speakers, is toward a completely functioning house—in other words, a house with spaces designed for the equipment necessary to make it a satisfactorily operating unit, and the equipment itself installed. Much of this equipment, whether it be a range, a dryer, a refrigerator, or a deep freezer, will have no more attachment to the property than a floor lamp. Such a house the builder will generally wish to sell in a single transaction for a single, unitemized price, and he will want to build his house in

A model home display in the real estate department of the Crocker First National Bank, San Francisco



the most economical manner, irrespective of common law definitions of fixity.

The fact that the bulk of existing equipment has been worn out during the war period will make such an offering attractive to buyers. Few buyers will have items they will wish to carry with them, even in those cases where the old items would fit properly in the new space. In addition, many buyers will want some of the equipment items that were not available before the war. And the buyers, like the builders, will probably prefer to cover the whole transaction with a single loan.

From the mortgagee's point of view it is desirable that the buyer should be able to do so. With all the essentials of a house financed under a single instrument, the lender has better control over the transaction, better means of determining that the borrower is not extending himself, and better opportunity of insuring that the property, in case of foreclosure, will be marketable. On the whole, he is likely to have a sounder loan.

One serious source of risk in loans on new houses has been the other obligations that the buyer is likely to undertake along with his house purchase. New draperies, rugs and some new furniture are usually involved. Any important equipment not supplied with the house must be obtained. If all these items are bought under the usual short-term, high interest provisions of the conditional bill of sale or chattel mortgage transaction, the total monthly outlays of the borrower may seriously add to risks of the critical first years of the mortgage loan. Where there is a single mortgage loan, covering the whole or almost the whole of the outlay, the lender has a much better opportunity to see that the total amount and terms of the borrowing are better related to the realities of repayment.

Against these advantages, the lender faces the contingency of greater waste and more complex depreciation factors. Detachables can be easily removed, and all but the most essential can be discarded without replacement when they are worn out. While some of them may have longer utility than certain well recognized parts of the structure like the roof, the heating plant, screens, and so forth, still the limit is well within that of the structure as a whole. If the items in question bulk large in the total, the normal pattern of amortization may be unhappily affected.

The changing concepts of real property thus bring up several problems in law and policy. As a general principle, it is suggested first that lenders on mortgage make their own determinations as to policy—that is, as to what seems to them to be sound lending practice for the future—and then proceed to seek the changes in law that may be necessary.

The main policy questions seem to be the following:

(1) *Defining of what shall be eligible for inclusion in a mortgage loan.*

While it is certain that the old definition of fixity is obsolete, it is unlikely that the new policy should permit everything that might be agreed by borrower and lender to represent realty. Items that are clearly furniture or furnishings should undoubtedly be excluded even though there may be attachment by an electric plug.

The new definition must embody a combination of these features. There should be an element of attachment, however tenuous, a definite place of use, and a limited mobility. The item should be readily identifiable so that it may be listed and described in the mortgage instrument. And finally, there must be agreement between borrower and lender that the item is to stand as a part of the mortgaged property. The element of agreement is especially important, because the definition must be permissive in character in order still to permit the financing of the same equipment items as personalty when sold separately from the house. It is doubtful that any definition broad enough to cover all that it is desirable to include will exclude everything else. But it should be possible to work out satisfactory understandings of what may be considered in the mortgage.

(2) *Facing the possibility of increased waste.*

As the element of detachability in the fixtures, and even in the structure itself, affects an increasing proportion of the total security, the risk from removal of part of the security increases. This risk would be greatest at the time of default or approaching default, or of an assignment or refinancing of the mortgage. When first making the loan, the lender has the protection of being able to check carefully the character of the borrower. But when the mortgage is assumed by another mortgagor or assigned to another mortgagee that advantage is lost. Moreover, title search is complicated by the need for an inventory of the removable items.

The problem here gets down to that of how far the lender can gamble on the honesty of the borrower, and how much he can protect himself against waste, as well as against relatively rapid depreciability.

(3) *Overcoming variable depreciation.*

Even before the question of fixtures became perplexing, no house was ever built that had a constant rate of depreciation for all its numerous parts. This difficulty has been partly met by keeping the amortization of the property at least within the average rate of depreciability and partly by simply taking a chance.

Under the same mortgage, two notes might be written, one specifically listing and covering the items in question, and carrying a shorter period of amortization than for the note covering the bulk of the property. Or, with a single mortgage and note, a higher rate of amortization could be established for the early years. Or, instead of altering the customary financial pattern, the borrower might be required to make regular deposits in a reserve account, designed to insure replacement of the items as they were worn out or removed. The reserve account could go with the mortgage in case the mortgage was sold or assigned.

Although the foregoing suggestions were developed out of the discussion of BANKING'S round table, they are not intended to represent the consensus of the meeting. Rather, they are intended to point up some of the issues that are before the banking fraternity. It is important that the issues be settled and policy determinations be made soon. If the financial machinery can be retooled now, it will be the better able to play its part in the general reconversion to a peacetime economy.



A Home Planners' Library

THE pleasant colonial room you see in the picture on this page is the Home Planners' Library recently opened by the Schenectady (New York) Savings Bank as a service to depositors who want one of those post-war homes of their own.

Built in a corner of the bank's lobby, the library provides about 400 books, pictures, pamphlets and magazines on building for the use of Schenectady residents interested in building or modernization. Some of the public library's books have been loaned, and the room has been designated as a library station.

Special borrowers' cards permit readers to take home material they wish to study. A librarian from the bank's staff is in charge while the room is open during banking hours.

Kilgore Macfarlane, Jr., vice-president of the bank, told BANKING that two weeks after the library was opened more than 2,500 visitors had called to see it. The librarian had interviewed more than 1,900 potential home builders and had distributed several thousand pieces of literature supplied by national and local concerns. One hundred twenty accounts had been opened and 200 books loaned.

Promotion of the library included newspaper ads emphasizing that use of the room was not contingent upon a person being a depositor.

"We are glad to have you use it without any charge or obligation," the bank said. "As a bank we feel that we benefit most by encouraging families to build better homes for better living . . . it means a stronger, happier, more civic minded community in which we will all prosper to a greater degree."

You enter the library through a French door, stepping into a comfortable room furnished with early American pieces. In one end is a fireplace faced with bricks from James Fennimore Cooper's home. A hooked rug or two, old prints, a spinning wheel and some fine silver and pewter pieces — loaned by the Schenectady Museum and a local antique dealer — help create a pleasant atmosphere.

"We consider this library a part of the humanizing of our bank's services and a step forward in the planning of better homes for better living," says Mr. Macfarlane. "This library was designed to help our depositors plan wisely and thus get better values for their money.

"It has gone far beyond our fondest hopes."

A library card

NO..... DATE.....

Home Planners' Library

NAME.....

ADDRESS.....

SCHENECTADY SAVINGS BANK

SINCE 1834

IN SCHENECTADY IT'S THE
SAVINGS BANK FOR HOME FINANCING

The Country Banker



PHILIP GENDREAU

News Notes for Country Banks

Price of Farm Acres Going Up

FARM land prices continue to rise in all states, according to a bulletin sent by the Agricultural Commission of the American Bankers Association to all banks. Increases during this war range from 17 per cent in North Dakota to 96 per cent in South Carolina (see map on following page). These are averages tabulated by the Bureau of Agricultural Economics from data given by thousands of farmers, real estate agents, and other businesses in close touch with farm values.

Other facts submitted to banks by the Commission:

(1) Farm real estate sales continued in large volume in 1944, activity in the first quarter being the highest on record. Now, fewer farms are reported as being offered for sale, but the demand is increasing.

(2) Farms held by insurance companies, banks, and estates have been sold in most areas and will no longer be a dampening influence on the market.

(3) The number of farms, particularly adjacent to cities, that are resold at a profit after a short period, indicates that speculation is active. Many city people are bidding up prices beyond what bona fide farmers can pay.

(4) The proportion of sales made for cash is high—55 per cent of all sales in 1944. However, two-fifths of the remaining transactions involved mortgages of 75 per cent or more of the sales price. This large proportion of debt may prove troublesome when the post-war adjustment of prices occurs.

What can be done about this situation? The bulletin answers it in this way: "The problem of inflation will be lessened to the extent that surplus money in the hands of farmers is used to buy War Bonds instead of farm land at high prices. We as lenders can do much by following conservative policies of financing. Speculative debts should be opposed by every means at our command.

"Education of the public is important! Advice to veterans or ex-war workers who believe they want to farm, should be clear and practical.

"*Do what you can to influence your customers to keep in a safe financial position*—AND WATCH THE TRENDS."

County Agricultural Meetings

The holding of agricultural meetings in every county of the nation prior to the opening of the Seventh War Loan campaign for the triple purpose of promoting the sale of War Bonds to farmers, considering the trends in farm land prices, and discussing problems of returning servicemen who want to farm has been recommended by President W. Randolph Burgess in a letter to all banks and by Agricultural Commission Chairman C. W. Bailey in a communication to county key bankers. Directors of Extension of Agricultural Colleges also were asked to cooperate by consenting to participation in these meetings by county agents.

To simplify the county key bankers' problem in arranging these meetings, Mr. Bailey furnished a skeletonized press release and a suggested agenda.

(For picture and details of Roanoke, Virginia, agricultural meeting see page 118.)

One PCA Out of Four in Red Last Year

Out of 515 government-sponsored production credit associations in the United States, 373 operated within their own member income in 1944, leaving 142 that used part of their government subsidy income to absorb operating deficits. This represents an improvement over previous years; in 1943 the number failing to meet interest and operating expenses with member income was 204, and in 1942 the corresponding number was 245.

Net earnings of all PCA's from 1944 operations totalled $3,405,000, after net charge-offs of $156,000 for bad loans. This net income included subsidy income of $1,710,000 received as interest on government securities purchased with free capital funds provided by the Government.

The Agricultural Commission of the American Bankers Association is analyzing the 1944 operations of every PCA, and expects to release state summaries of these data, as well as summaries of the farm credit information recently submitted on questionnaires from approximately 7,000 country banks.

Fewer Loans But Larger

Some farmers have increased their use of operating credit during the present period of expanded output and high unit costs. Other farmers are getting along without borrowing at all, either because they have accumulated funds from current good incomes, or because the things

they would ordinarily buy on time are not to be had. The result seems to be that fewer farmers are borrowing, but those who borrow can and do get larger loans than before the war.

In 1939 the average loan made by production credit associations was $1,365; by 1944 the average size had increased to $2,231. The *number* of loans made decreased from 234,000 to 218,000. Rural rehabilitation loans made by the Farm Security Administration to new borrowers in 1939 averaged $560 as against $1,105 in 1944.

Land Banks Pay Debts With Commercial Bank Funds

All outstanding consolidated Federal Farm Loan 3¼ per cent bonds of May 1, 1945–55, have been called for redemption. No refunding issue of bonds will be offered, funds for redemption of the $157,278,000 of outstanding bonds being borrowed mostly from commercial banks on a short term basis.

Another block of Farm Loan bonds, $230,000,000 bearing a 3 per cent rate, will become callable July 1, 1945, but no plans have been announced concerning them.

Bumper Crop of Winter Wheat

The April crop forecast of the U. S. Department of Agriculture, based on reports of thousands of cooperating farmers, included an estimate of 863 million bushels of winter wheat. If a winter wheat crop this size is harvested, it will be 37 million bushels larger than the previous record crop in 1931.

Land Bank Repays Federal Capital

The Federal Land Bank of Springfield, Massachusetts, recently refunded $6,317,138 to the U. S. Treasury, thereby becoming entirely farmer-owned. Two other Federal land banks, located at Louisville and Houston, had previously retired all government capital stock and surplus, and are likewise now on a self-sustaining basis. The remaining nine land banks had, on January 1, a total of $236,498,000 of free capital funds supplied by the Government, with the Federal Land Bank of St. Paul holding the lion's share, or $152,034,000.

Subsidy income of the nine land banks from use of these public funds is at least $5,912,000 per annum.

Shortage of Fats and Oils

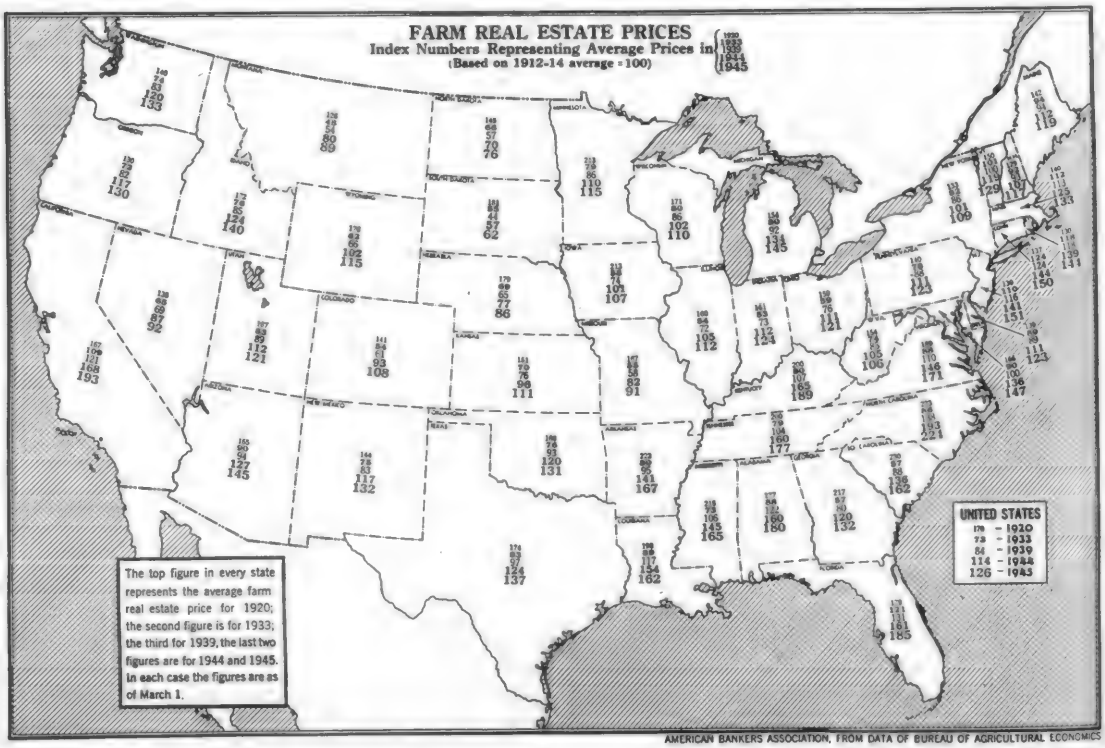
Production of fats and oils from domestic materials in 1945 is expected to total about 9.8 billion pounds compared with 10.9 billion pounds in 1944, according to a survey by the Bureau of Agricultural Economics. Short supplies of butter for civilians, at the lowest level in many years, has increased consumption of margarine. Lard supply is not expected to improve before next Fall.

No major change in total supplies of drying oils other than linseed oil is likely in 1945 as a whole.

Crop Insurance for Tobacco

All-risk crop insurance on burley and flue-cured tobacco, starting with the 1945 crop, is being tried by the Federal Crop Insurance Corporation in 11 representative tobacco-producing counties in Georgia, South Carolina, North Carolina, Virginia, Kentucky, and Tennessee.

Two types of crop protection will be tried on tobacco. One plan will offer "yield-quality" protection with coverage up to 75 per cent of the farm's average yield adjusted for the average quality of its production in recent years. This is similar to the insurance plans now in effect natonially on wheat, cotton, and flax, with the "quality" protection the major difference. The other plan offers "investment" protection in cash up to 75 per cent of the cost of producing the crop.



AMERICAN BANKERS ASSOCIATION, FROM DATA OF BUREAU OF AGRICULTURAL ECONOMICS

Sound Farm Loans for Veterans

V. B. HART

The fourth article in a series by the Extension Professor in Farm Management, New York State College of Agriculture, on the five-point program of the Agricultural Commission, American Bankers Association.

One of the after effects of war is a back-to-the-land movement. This is nothing new. When Julius Caesar got his legions back from Gaul, they demanded land. More recent history tells how after our Revolutionary War, mile-long wagon trains streamed westward across the Allegheny Mountains. This land-hungry horde was made up largely of war veterans who wanted land. After our Civil War, thousands of returning soldiers "went West" and took up homesteads in what was then called the "Great American Desert."

As long as there was more good land available for settlement than people who wanted it, these back-to-the-land movements presented no serious social or economic problems. But when World War I came along, there were no longer vast areas of land open for settlement. It is true that we then had, and still have, millions of acres of land that were once farmed but are now abandoned. But, except in rare instances, this land was abandoned because experienced farmers had found it did not pay to farm it.

The early settlers had no way of knowing what a particular piece of land would produce until they cleared it and started to raise crops. So they cleared it all—both the good and the poor. Later when they found some of the land was not worth farming, they abandoned it. This is the principal reason why we have a large amount of abandoned farm land. It just never was worth much for farming. These facts, however, are usually not known by the back-to-the-lander and following World War I, many war veterans sunk their savings in these abandoned farms.

Persons in the business of making farm loans do not need to be told about the importance of farm experience as a prerequisite for success in farming, but the average back-to-the-lander does. Indications are that a large percentage of persons now in military service who are interested in getting into farming will have had little or no farm experience. Also most of them will not have money enough to warrant buying and equipping a good farm. So they will be tempted to buy what they can get—land experienced farmers have abandoned because they found it did not pay to operate it.

Unfortunately many war veterans are going to be sadly disappointed about the help for buying a farm they will get under the GI bill. In spite of all the educational work that has been done, many veterans still think "the Government is going to give me $2,000 with which to buy a farm." The banker is going to be right between the devil and the deep blue sea in dealing with this land-hungry horde of war veterans. If he refuses to make loans to set honest but inexperienced veterans up in farming, both the veterans and the general public are going to raise an awful howl. The banker can, of course, fall back on the legal provisions of the GI bill and explain that the bank has not been authorized to dish out government money to veterans. But both the veteran and a sympathetic but uninformed public are likely to lay the blame for the veteran not getting his loan right on the doorstep of the banker.

If by virtue of the guaranty provisions of the GI bill, a banker makes a loan that is safe for the bank but not for the veteran, there is also trouble ahead. Here is an actual case of this kind. A veteran with no farm experience and $500 cash wanted to borrow $3,000 to buy and equip a poor farm. The veteran was a good honest fellow and the banker wanted to help him. But the combination of no farm experience, only $500 of owned capital, and a poor farm meant little chance of success for the veteran.

The banker, however, felt the bank would be safe enough on a $3,000 loan if the Government guaranteed $1,500 of it, because "the farm would always sell for at least $1,500." But the chances are the only way the bank could ever recover the $1,500 unguaranteed part of such a loan would be by selling out the veteran, the report of which would probably travel far and wide. This may be an extreme case but certainly no bank can afford to risk making a loan that is not reasonably safe for the veteran.

The writer believes the banker has two responsibilities in dealing with war veterans who inquire about loans for getting started in farming. First, a loan should not be made unless it is going to be safe for both the bank and the veteran; secondly, give the right kind of advice to the veteran to whom a loan is not warranted—and give that advice in a way the veteran will take it.

Experience indicates that the best way for a person with limited experience and money to get started in farming is by working for a successful farmer. But this does not appeal to the average war veteran. He wants to own his own farm and be his own boss.

Any veteran who takes a job as a hired man in a good farming community and establishes a reputation for honesty, ability, and thrift will not remain a hired man very long. Hired men of this kind are just the persons to whom retiring farmers like to rent their farms or sell them with a small down payment. Such persons are also good credit risks.

It is this kind of advice rather than bulletins on the GI bill that most veterans who will be inquiring about "that $2,000 of government money" are going to need. The country banker is in a mighty strategic position to furnish it. I hope he does and makes it stick.

Our Agricultural Revolution

ARTHUR C. BUNCE

MR. BUNCE *is connected with the Division of Research and Statistics, Board of Governors, Federal Reserve System, Washington, D. C.*

THIS war has revealed the amazing capacity of American farmers to expand production in the face of shortages of labor and new machinery. In the last war we expanded agricultural production about 10 per cent; in this war we have increased it by one-third. If market outlets can be found, we can continue to expand production when peace comes as we did after the last war.

Many of us think of the farm in terms of boyhood memories; we remember the horses in the barn, the daily chores, the smell of hay and the excitement of harvest time. Our nostalgia recalls the home-baked bread, butter from sour cream, bottles of preserves and pickles, and home-cured hams. These memories are associated with the idea of stability, permanence and a fundamental sense of security that prevailed when the farm was largely a self-contained unit. While we still have a large number of almost self-sufficient farms selling only small surpluses, the mass of our urban population depends upon the output of the half of our farmers who produce almost 90 per cent of all agricultural products sold; it is this segment of agriculture that has felt the impact of changing technology and adopted the new techniques.

With the technological revolution have come some fundamental changes in the structure of agricultural production; money costs and capital investments in machinery have increased; the amount of land that can be effectively farmed by one family has increased and the farmer has become more vulnerable to the impacts of price changes and the business cycle.

Mechanization

The development of the tractor has had a profound effect upon agricultural production from 1910 up to the present. From a thousand in 1910, the number of tractors on farms has increased steadily to almost two million in 1944. Over the same time the number of horses and mules has decreased from 24 million in 1910 to less than 13 million in 1944. While the tractors enabled farmers to increase their acreages of crops, the reduction of horses and mules set free for other uses from 40 to 50 million acres of crop land that had previously been used to produce the necessary feed. Both of these developments, therefore, increased the output of products for sale by the farm family and reduced labor costs.

Plows, cultivators, seeding machinery, manure spreaders, grain combines, corn pickers, haying machinery and

The implement pulled by the tractor makes these earth "bathtubs." It was developed for semi-arid and dry sections to conserve moisture, control surface runoff and wind erosion

PHILIP GENDREAU



milking machines, in addition to the tractor, have all had the effect of reducing the amount of labor required to produce a given quantity of produce. A further factor also of great importance has been the increased ability of the farmer to offset bad weather conditions by speeding up the critical operations. Offsets to the effects of bad weather have been important in increasing average yields.

Production

Apart from mechanization, many other technological developments have acted to increase yields per acre. New varieties of crops, improved and cheaper fertilizers, new means of controlling insects and diseases, improved rotations and better methods of culture have all been important. The average yields of corn over the last five years have been 25 per cent above the average for the 10 years 1923 to 1932. In the case of cotton the increase in yield has been about 50 per cent when the same periods are compared; in addition to technological improvements these increases in average yields reflect the fact that as the acreages of these crops was reduced under the AAA program the best land was always left in production.

Not only have crops benefited from scientific research and new techniques, but livestock production has also been improved. Balanced feed rations incorporating proper quantities of proteins and minerals have increased the output per unit of feed of all livestock enterprises. In addition breeding, testing and selection have improved production per animal greatly; milk and egg production have been particularly affected by this development. In dairying, for example, it was estimated in 1940 that if one third of the 600,000 farms with 10 or more milking cows were to reach the level of production attained by the cows in dairy herd improvement associations, butterfat production per year would be increased 50,000,000 pounds with no increase in the number of cows. Thus, while technology has made great strides, not all farmers have adopted the best practices and steady improvements in output will continue.

A further factor increasing the output of livestock products has been the control of diseases and parasites.

Results of Technology

Associated with these technological changes there has been a gradual reduction in the number of persons employed in agriculture of more than 15 per cent from 1910 to 1944. In this latter year the acreage of crops harvested per worker was 34 per cent above 1910; the livestock animal units per worker had increased 45 per cent, and the physical volume of production per worker had increased by almost 100 per cent over that of 1910.

Over the same period the costs of production have changed greatly. In the 1909–13 period it required 59 man-hours of labor to produce 100 bushels of wheat; in the 1934–36 period it required 41 hours. The reduction of 50 per cent in the hours of labor has lowered costs greatly because the savings in labor costs greatly exceed the increased machine costs. Increased yields of corn and cotton have similarly reduced costs. On the other hand, the labor requirements and costs of production of vegetable crops have gone up.

These changes in costs between the various products of agriculture have made the present parity price structure obsolete because it is largely based on the 1910–14 period and cost relationships have changed greatly over the last 30 years. In addition to changing relative costs, technology has increased the cash costs of farm production and the amount of capital needed to operate successfully. Instead of growing oats for horsepower a modern farmer invests in a tractor (and all the new equipment needed to go with it) and buys oil and gasoline. This has increased his dependence on the market and drastic price fluctuations affect his income greatly. The growing need for an assured cash income associated with increased cash expenditures has been one of the potent forces pressing farmers to demand government action to maintain parity prices.

The Outlook

Technological changes will continue. New inventions are waiting to be placed in the hands of farmers in the post-war period; for example, the production of cotton may be revolutionized by flame cultivators and mechanical pickers. Output per person can continue to expand rapidly, particularly if the 50 per cent of our farms which produce little commercial surplus are consolidated and modernized. And relative costs of production between agricultural products will continue to change. This has important implications for the future of American agriculture and government policy which may be briefly summarized as follows:

(1) Fewer people are needed in agriculture, particularly in the South, and the size of farms should be increased.

(2) More capital is needed to make possible the use of modern machinery.

(3) Parity prices as now defined by law need to be made more flexible in order to reflect changes in the costs of production.

(4) Government policies to support farm income should also assist farmers to adopt modern low-cost techniques, thus enabling them to have a high level of income even though the level of prices of farm products falls.

(5) Because of the expansion of production during the war, and the possibility of still greater productivity, world trade should be expanded on a permanent basis.

(6) At present land values are 50 per cent above their pre-war (1935–39) level. Steps should be taken immediately to control further advances because inflated land values would make necessary adjustments in farm size much more difficult.

In the long run society will benefit from the increased low-cost production made possible by the application of new techniques to agriculture. Many of the necessary adjustments, however, will be difficult and will require considerable time to occur. It is to the advantage of our people as a whole to speed up these adjustments and avoid a post-war agricultural depression. A sudden collapse of the prices of farm products would not only impoverish farmers and curtail their purchasing power, but it would also seriously retard the process of adjustment which requires larger farms and larger capital investments.

Merchandising Country Bank Services

Elkin Farmers' Meeting Largest Yet

UPWARD of 900 farmers, bankers and agricultural leaders were present at the third and largest annual farmers' meeting in Elkin, North Carolina, recently. Those attending including C. W. Bailey, chairman of the A. B. A.'s Agricultural Commission and president, FIRST NATIONAL BANK, Clarksville, Tennessee; Robert M. Hanes, chairman of the A. B. A.'s Post-War Small Business Credit Commission and president, WACHOVIA BANK AND TRUST COMPANY, Winston-Salem, North Carolina; Fred W. Greene, secretary of the NORTH CAROLINA BANKERS ASSOCIATION, Raleigh, who brought the greetings of the association, one of the sponsors of this meeting; and Garland Johnson, president of the BANK OF ELKIN and chairman, Elkin Agricultural Council, who introduced the guests of honor.

Farm management, crop and livestock authorities from the North Carolina Extension Service of State College and Clemson College, South Carolina, delivered addresses on "The Importance of Pasture in a Livestock Program," "Establishing and Maintaining Permanent Pastures," and "Annual Pastures," and led discussions on "Beef Cattle," "Soil Conservation," "Farm Management," "Dairying," "Hybrid Corn Production," "Frozen Fruits," "Poultry," "Hay and Forage Crops," and "Small Grains."

At a dinner following the day's program, Ex-Governor J. Melville Broughton spoke briefly at the meeting, lauding the Elkin community spirit. Agricultural Commission Chairman Bailey, guest speaker, presented a seven-point program on which the American farmer can make ready rural America for the time "when GI Joe returns."

In a picture story entitled, "A Center for Progressive Farming," in December 1944 BANKING, bankers' part in founding and conducting the Elkin annual farmers' meeting was told.



At the Elkin, North Carolina, farmers' meeting — *l. to r.*, Robert M. Hanes, Winston-Salem; C. W. Bailey, Clarksville, Tennessee; Ex-Governor J. Melville Broughton; T. C. McNight, general secretary, Elkin Y.M.C.A.; and Garland Johnson, chairman, Elkin Agricultural Council

Advisory Committee

THE VALLEY NATIONAL BANK of Phoenix, Arizona, appointed an advisory committee of 12 agricultural leaders, located in key sections of the state, when it centered all field activities in a new agricultural and livestock department last July. The group was selected on the basis of merit and reputation; several were non-customers.

This committee's chief function is to review all major bank policies in connection with agriculture, and members have entree at any time to staff headquarters to present suggestions and discuss local problems. With their aid and counsel, the bank has set its goal on the following long range program:

(1) Support farmers and livestock operators in the production of food and fibre needed to win the war; lend encouragement and assistance in maximum production of essential commodities; furnish and develop information relative to: labor, machinery, supplies, programs, marketing, research, production.
(2) Encourage farmers and livestockmen to build reserves; purchase War Bonds for replacement of worn-out equipment and buildings; provide for post-war home improvements as a deterrent to inflation; liquidation or reduction of capital debt; security and independence; reserves in the soil.
(3) To develop, encourage and sponsor increased efficiency in the trial of new crops and improvement of livestock; greater diversity within farms; agricultural youth to remain on the farm; and more efficient farm records for income tax reporting.
(4) To actively assist all local agricultural industries in analyzing their problems.
(5) Encourage farm ownership by operators.
(6) Provide an avenue by which the bank may supply all funds required for capital investment.
(7) Free, impartial consultation service for the prospective purchaser of farms, ranches, livestock and/or agricultural commodities.
(8) Leadership in agricultural post-war planning.
(9) Coordinate and correlate the activities of the bank in all of its branches by offering the same calibre of service and educating its personnel to analyze the borrowers' needs.

"So far," reports Keith Taylor, manager of the department, "the full benefits of this program have not had time to become fully appreciated. Suffice it to say that our agricultural loans continue to mount. In fact, each month they assume an increased percentage of the total loans in our portfolio.

"The members of our advisory board are directors or officers of almost all the major agricultural and livestock associations. Through them, we have a keener appreciation of the problems our customers are facing;

it is a practical help for, in many instances, we are able to offer some tangible solution."

Country Store

THE BANK OF DOVER, Arkansas, found its most serious handicap a blessing in disguise. This small bank is situated in a widely scattered territory, where personal contact afield is vital to success, yet seriously handicapped by distance and lack of good roads. As a war emergency measure, the area observed a gasoline holiday one day each week which halted the traffic of buses and trucks.

With reasonable certainty that area farmers would be obliged to stay close to home on the gasless days, the bank's officers set aside that time for calls afield, advertising in the local paper the time and section of their calls one week or more in advance.

Being new in the territory, with plenty of missionary work to be done, the officers picked as a starting contact the proprietor of the local general store. Here they found the one man intimately acquainted with every family, a shrewd judge of credit and character, at least, from a personal point of view. With his help, the officers contacted the right families and made friends.

The idea spread, as things will in a countryside, and now instead of advertising calls, the bank receives invitations direct from store owners and area farms to visit in their section. Upon making a call, the officer stresses the point that his mission is one of goodwill, to offer help on farm improvements, financial or otherwise. A loan may be negotiated on the spot, or if the farmer prefers he can make a definite appointment at the bank.

Mrs. J. M. Llewellyn, cashier, says: "The idea of contacting the individual through the local merchant was so successful we now have an agreement to accept a customer upon a written statement from the merchant, with an appraisal of the customers' security mailed directly to us. This plan is endorsed by the borrower because it saves both time and money.

"Of course, it puts an obligation upon the merchant, but we have found he is invariably proud to be of service to people of his community—and his bank.

"Our record speaks for itself. We have never lost a dime on this plan."

Silos

Last Fall, while making a study of the silo situation in Mecklenburg County—an important factor in every livestock program—officers of the CITIZENS BANK of Charlotte, North Carolina, discovered an opportunity to perform a real community service. The majority of silos in the area were of wood construction, with an average life of 10 years, provided the patches and heavy wire hold out. For comparison, the county boasted of just two concrete silos, erected by the North Carolina State College some 37 years ago, still in first class condition.

The answer appeared obvious: If the bank could supply the necessary metal forms for pouring concrete silos, the replacement needs were immediate and sufficient to justify the investment. Furthermore, there was a volume of construction loans in the offing to finance the jobs, with a permanent effect upon the bank's long range livestock program for the community.

And that's exactly what the bank negotiated to do—buy the forms for approximately $1,000 (delivered price) and loan them to any farmer wanting to do the job, for a nominal $1 per foot fee based on the height of the silo. The fee is being placed in a fund to expand the program and service.

The silo forms, bulking some 3,000 pounds in weight, consist of a series of metal plates, adjustable so as to build units 10,12 or 14 feet in diameter. They are set in two rows, one within the other, and concrete poured in the aperture. When dried and set, a perfect cylindrical job is done. Height varies; the average is about 30 feet.

Local county commissioners are providing space for storage of the forms, when not in use, and the county agent will handle the leasing of the equipment, which according to applications already on hand will be in operation for some time to come. The bank estimates the total cost of a 12 x 30 foot silo at $350 or less, depending upon available farm labor.

This comment by the *Charlotte News* is typical of the publicity the bank has received: "Is this banking? It is indeed. And it is much more. It is the kind of banking which will eventually increase business and profits, and promote abundant goodwill for this institution. The community at large will share in these two schemes (the silo plan and livestock program), for they are not limited in scope, and they render service far beyond the confines of any profit-and-loss statement. This is business on the beam."

Extra Curricular Banking

E. A. Ebersole, vice-president and cashier, of the STATE CENTRAL SAVINGS BANK, Keokuk, Iowa, tells this story as background for a successful venture, which he describes as extra curricular banking:

"Between the end of World War I and 1921, many brokers rode the crest of the inflationary boom in farm prices. Investors, with plenty of cash, were sold a country homestead with more regard for the commissions involved than a true value of the land.

"We are all too familiar with the aftermath of this period of farm inflation and speculation. Investors woke up one dismal morning to find themselves owners of first and second mortgages on a barren stretch of ground. Like it or not, they were farmers overnight by right of ownership. The problem for most was the question: lease or sell? Leasing involved management problems, selling was simpler, but where to find a taker who could take you out whole or reasonably whole?

"This situation existed until 1933 in our area, when the board of directors of the STATE CENTRAL SAVINGS BANK decided that a farm management office would pay its way, be a good income producer for the bank and of great service to the community. On April 1, 1933, a dividend of $10,000 was declared and with stockholders' approval, it was used to set up capital for the Iowa-Missouri Company.

"Almost immediately the disillusioned investors

turned to this company for advice and help. When a farm was turned over for management, it was first inspected by a field man or the manager of the company. If it was not rented, a desirable tenant was secured, and if already rented, the tenant was interviewed to determine his ability to carry on successfully. The renter and farm manager agreed on crops to be planted, the distribution from sales being governed by the terms of the lease, signed by the farmer, the owner, and the management company. The owner's share was sent to the office where it was credited to his account, and an annual statement cleared the account, less fees.

"Under this arrangement many farms, badly run down, were restored to life through crop rotation, fertilization, good seed, contouring and controlling of ditches. Fences were repaired, buildings improved and others added. The program soon restored a good selling price or income for the owner's invested capital.

"Today, as a result of this work, many prospects consult the company before they buy: many investors take advantage of the management features. The Iowa-Missouri Company operating within a radius of 100 miles of Keokuk has managed as many as 910 farms comprising 100,000 acres. At present, the operation covers 190 farms. The company employs a staff of eight, the office manager, four field men and three clerks. They have not only operated and sold farms for customers, but liquidated loans, collected royalties on coal mines, and managed grain elevators. Banks in Keokuk and the surrounding area have used the company's facilities.

"Obviously, farm investors like the plan, so also do the tenants on managed farms, for they directly benefit by increased income from the services performed in behalf of the owners.

"There is a definite need for such a service in many cities over the country. Today, there's a greater proportion of 'city' farmers than ever before, and there will soon be a great host of veterans buying farms under the G. I. program. Our plan is one way to meet the situation."



Accuracy, care, personal supervision, and maintenance of a confidential relationship are prime factors in the cost analysis work of the A.B.A.'s Commission on Country Bank Operations. Part of the A.B.A. staff handling the various steps involved in preparing the forms for the comptometer crew

Comptometer force working on the cost analysis forms of the Commission on Country Bank Operations. More than 200 separate computations are involved in processing the forms of each of the 4,000 participating banks



WEIMAN & LESTER PHOTOS

Keynote: Service

"Like many country banks we operate without specialized service," writes Lewis Walton, vice-president of the STATE BANK of Vassar, Michigan. "Our program, if it may be called a program, is built upon the objective of performing sound and friendly banking service for our community. We grow and prosper to the same extent that we assist and encourage our patrons to grow and prosper. Therefore, we take a very personal interest in every loan application and try to assist in every project that shows merit. If a loan cannot fit into our portfolio, we endeavor to find another source of credit for the borrower. We have never made a general solicitation for either loans or deposits.

"All farm contacts are handled by Frank C. Tinglan, cashier, and myself. In clerking sales, we endeavor to give our clients the earliest possible settlement and furnish a complete, detailed statement of each transaction. We help on advertising, advise on the display of items for sale, and lend all possible assistance to make the event a success.

"We keep in close touch with all farm clubs and groups and welcome opportunities to participate in their programs. We have set aside a revolving fund of $500 for school projects under the direction of the high school agricultural teacher. Students may borrow from this fund on their own name, with the recommendation of the teacher, to purchase seed, chicks, pigs and occasionally a registered calf. All loans repaid to the bank revert to the fund. Interest payments (at 5 per cent) remain in the fund, helping to expand the project. In over four years of operation there has been only one loss—$2.50.

"With the cooperation of the bank's attorney, we assist in closing real estate sales, draw deeds, check abstracts, and generally try to protect all interests concerned. Most real estate sales in our area are consummated at our banking headquarters, which opens an opportunity to meet new owners and develop new business. All legal transactions are cleared through our attorney.

"Our director's room has served on many occasions as a work room for Red Cross. It is used regularly by farm extension classes, and other organizations for committee meetings. We also furnish a room for township treasurers during tax collection. All with our compliments."



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INVESTMENT INFORMATION.

RECEIPT AND DELIVERY OF SECURITIES.

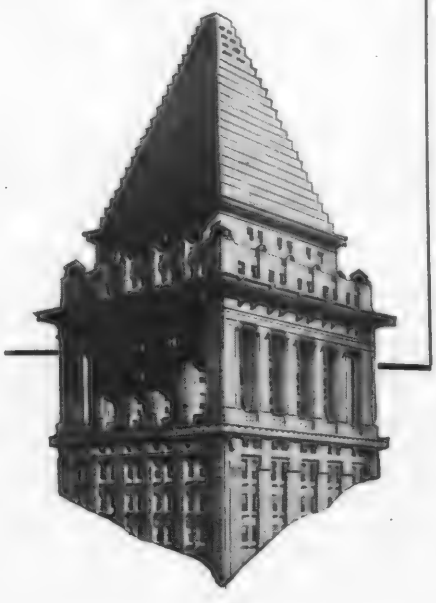
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BANKING NEWS

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95.6% of All Eligible Banks A.B.A. Members; 336 Join in 7 Months

Organization Committee Cites Many Workers

American Bankers Association membership has reached the highest percentage point in A.B.A., history. On March 31 it stood at 95.6 per cent of all eligible banks, leaving only 523 non-members, exclusive of branches, according to the semi-annual report to the Administrative Committee of R. L. Dominick, chairman of the Organization Committee and vice-president of the Traders Gate City National Bank, Kansas City, Mo.

From Sept. 1, 1944 to Apr. 1, 1945, 336 new members were enrolled, thus reducing the non-member list by 38 per cent. On Mar. 31, 1944, 93 per cent of all the banks were A.B.A. members and on Sept. 1, 1944, 94.7 per cent.

"The continuation of the country bank program," Mr. Dominick said, "has enabled the Organization Committee to not only maintain the membership, but also to make a sizable gain since the Chicago convention. Under the presidency of W. Randolph Burgess, our regional and state vice-presidents have been able to present to both members and non-members a picture of their national association functioning well in every department."

State Vice-president T. J. O'Brien, of Houston, and Regional Vice-president DeWitt T. Ray, of Dallas, were commended by Mr. Dominick for bringing in 54 new members in Texas, the highest state record.

Ohio added 53 new members since September. Credit for this showing was given to State Vice-president Paul A. Warner, of Mt. Vernon, and Regional

(*Continued on page 64*)

Appliance Financing Is Covered By New Manual

Aid to Banks Issued by A.B.A. Department

Credit requirements and operating procedure for home appliance financing is set forth in a manual prepared by the Consumer Credit Department of the A.B.A. to assist banks interested in purchasing retail instalment paper on household appliances and equipment and in extending the necessary supplementary wholesale floor plan to dealers.

Although this classification of consumer paper was the least popular with banks before the war, inquiries received by the Department in recent months indicate stimulated interest in home appliance financing.

The manual is divided into two main parts. Part one covers "Retail Paper Purchased" and includes suggested operating forms and (a) an expla-

(*Continued on page 64*)

Approves Stand on Bretton Woods Agreement; Hears Reports on Association's Activities

The Administrative Committee of the American Bankers Association, meeting in New York on April 15 and 16. unanimously approved the Association's stand on the Bretton Woods proposals, as reflected in the action of the executive officers, several of whom testified before the House Banking and Currency Committee in Washington.

The Committee's sessions took the place of the annual Spring Meeting of the A.B.A. Executive Council, which was cancelled because of the transportation restrictions. President W. Randolph Burgess presided.

Program Reviewed

Wartime activities of the Association and the development of banking's post-war plans were prominent in the discussions. Reports made by the various divisions, sections, commissions and committees directing the Association's work reflected the A.B.A.'s broad participation in the war effort and in plans for reconverting business to a peace economy.

Post-war credit for small business, ration banking, service for war veterans, the 7th War Loan drive, Treasury war borrowing, consumer credit plans, and general economic and credit policies were among the subjects of particularly timely reports. Also of interest were the reports on the Association's extensive work on behalf of country banks and its projects in bank management, public relations, research, education, insurance and protection, as well as the activities of the numerous groups that carry on work in Federal and state legislation.

Heads of the National Bank, State Bank, Trust and Savings Divisions, the State Association Section and the American Institute of Banking also reported. The Committee's resolution on elections of certain Association officers in the absence of state association conventions appears on page 107.

OPA Drops Its Plan to Assume Ration Banking

A.B.A. Group Calls Scheme Impractical

A recently publicized proposal of the Office of Price Administration to transfer ration banking from banks to eight regional OPA offices at a purported saving of $6,000,000 a year has been killed, according to word received from Washington.

This follows a vigorous attack on the scheme by the American Bankers Association Ration Banking Committee,

(*Continued on page 64*)

At the Administrative Committee meeting: *l. to r.*, Joseph J. Schroeder, secretary, Association of Reserve City Bankers; President Burgess; Hugh H. McGee, chairman, Credit Policy Commission; Robert M. Hanes, chairman, Post-War Small Business Credit Commission; Fred I. Kent, chairman, Commerce and Marine Commission; Brig. Gen. Leonard P. Ayres, chairman, Economic Policy Commission



ACME

First Manual on Plane Financing Published

A.B.A. Study Covers Loans on Aircraft

For the first time in the history of American banking an aircraft financing manual is available giving complete information on this phase of bank lending, the volume of which is expected to increase substantially after the war.

This manual, prepared by the Consumer Credit Department of the American Bankers Association, contains complete information on (1) Civil Aeronautics Administration requirements, with sample forms having to do with sale, ownership, registration with C.A.A., and mortgage registration; (2) suggested forms for use in financing the purchase of an airplane, including application for insurance, chattel mortgage, assignment of interest in chattel mortgage, aircraft instalment note, conditional sale contract, and release contract of conditional sale; (3) direct loans to individuals, with samples of suggested forms; (4) aircraft financing via dealer—retail; and (5) dealer's floor planning.

Ration Banking

(*Continued from page 63*)

which branded the plan as nebulous and impractical and charged that the OPA cost estimates were fantastic. It was reported that further study by the OPA indicated the cost would almost double the $12,000,000 a year paid the banks.

The Committee pointed out to the OPA that the proposal would not eliminate ration banking from the banks for a year and a half or more. In the meantime, while the OPA was experimenting with simple programs such as shoes, the banks would be forced to carry the expensive food and meat accounts at reduced reimbursement.

Other factors stressed by the Committee were that the OPA scheme would complicate an already critical manpower situation, unnecessarily divert machines and equipment from essential use, cause merchants great inconvenience, expense and delay in handling their ration accounts, substitute a mail order system for the personal relationship now existing between the banks and their customers, and unfairly jeopardize the excellent public relations record banks have established through their competent performance of wartime services.

Studies are now being made by OPA officials and the A.B.A. Committee of the charge made by an OPA enforcement officer that some banks are careless in handling ration accounts, fail to follow regulations, and neglect to provide adequate protection for the stamps and coupons. The Committee has urged all banks to reexamine their operating methods, observe the required procedure and tighten security controls.

New Small Business Credit Groups Formed

Formation of four new bank credit groups and plans for four others were revealed by the A.B.A. Post-war Small Business Credit Commission following publication of its progress report.

The new groups are: St. Joseph, Mo., $7,250,000; State of Arizona, $1,000,000; four Maryland counties, $500,000; New Hampshire, amount undetermined.

This makes 31 organized groups with about $500 million available for small business. Others are being formed in Atlanta; Charleston, W. Va.; Indianapolis; and Kansas City, Kans.

Arrangements are being made for a meeting of representatives of the groups. It will be built around a program designed to help the groups strengthen their organizations.

Appliance Financing

(*Continued from page 63*)

nation of various dealer plans with forms for use by dealers in making time sales direct to purchasers, dealers' rate chart, agreements, conditional sale contract, etc., and (b) "Collections," which includes sample coupon book, etc.

Part two outlines the "Wholesale Floor Plan."

Two Association Membership Getters



Regional Vice-President Harry Nagel, Cincinnati



A.B.A. State Vice-president M. R. Selden, Cedar Rapids

Membership

(*Continued from page 63*)

Vice-president Harry Nagel, of Cincinnati, assisted by B. G. Huntington and Earl Cook, of Columbus. Through this achievment, Ohio became eligible for an additional member on the Executive Council.

In Illinois, Regional Vice-president J. W. Minton, of National Stock Yards, State Vice-president Norman B. Collins, and A.B.A. Vice-president Frank C. Rathje, of Chicago, brought in 34 new members.

Mentioned by Mr. Dominick for notable achievements were State Vice-president M. R. Selden, of Cedar Rapids; Regional Vice-president N. A. Welle, of Arlington, Minn.; and R. R. Brubacher, of Sioux City, for obtaining 30 new members in Iowa.

Others receiving honorable mention included: *Pennsylvania*, Regional Vice-president Milton D. Reinhold, of Philadelphia, and State Vice-president Laurence S. Bell, of Pittsburgh; *Missouri*, Regional Vice-president Minton and State Vice-president A. G. Elam of St. Louis; *New York*, State Vice-president Frederic E. Worden, of Auburn, and Regional Vice-president Thomas H. Riley, Jr., of Brunswick, Me.; *Nebraska*, State Vice-president H. H. Echtermeyer, of Omaha, and Regional Vice-president Richard W. Trefz, of Beatrice; *Kansas*, Regional Vice-president E. W. Stilwell, of Kansas City, Kans., and State Vice-president F. F. Clinger, of Topeka.

Mr. Dominick said that "considering the limited number of non-members in some states, it would be fair to say that equal or even greater achievements were made by some of the other vice-presidents," whose records were also mentioned in his report.

Booklet on Term Loans Published by Bankers

Covers Experience of 15 Years in Field

The Association of Reserve City Bankers has issued a 32-page booklet on term loans by commercial banks which is a synthesis of the experience of banks in making term loans in the past 15 years. During this time the term loan has come to be recognized as one of the most important innovations of commercial banking practice and one that is likely to be useful in meeting the financial needs of business in the post-war period, according to the association's committee on Bank Credit Policies, which produced this manual.

Term loan genesis and operating procedure are covered under six main subdivisions: (1) Nature and importance of bank term loans; (2) practical approach in making a term loan; (3) the term loan agreement; (4) technical features of the term loan agreement; (5) protective covenants of the term loan agreement; and (6) administration of a term loan.

The Reserve City Bankers term loan manual will be distributed to the membership of the American Bankers Association by its Post-War Small Business Credit Commission.

Roll out the carpet for NEW DEPOSITORS





A large number of banks have found that Todd Special Checking Account Services provide one valuable means of getting new depositors—and *keeping* them as profitable customers for other services.

The facts are simple. People are busy earning more money than ever before and have little time to waste paying bills in person or standing in line to buy postal money orders. They are willing to pay for the safety and convenience of checking accounts that offer reasonable pay-as-you-go charges and do not tie up large amounts of their funds.

The Todd Company has made a special study of No-Minimum-Balance Accounts, based on the experiences of banks throughout the country and on customer reaction. If your present system is not completely satisfactory, or if you do not yet offer such services, send for the free booklet, "No-Minimum-Balance Checking Accounts" which will help you determine for yourself the practicability and profit possibilities of this service.*

* *We regret that for the time being, due to wartime demands, our new installations must be confined to* present users *of other Todd bank supplies.*

Todd
COMPANY, INC.
ROCHESTER NEW YORK
SALES OFFICES IN PRINCIPAL CITIES
DISTRIBUTORS THROUGHOUT THE WORLD

THE TODD COMPANY, INC., ROCHESTER 3, N. Y.

Please send me your booklet on No-Minimum-Balance Accounts, with suggestions for analyzing our own situation. Without cost or obligation, of course.

NAME_____ TITLE_____

BANK NAME_____

ADDRESS_____

CITY_____ STATE_____

B-5-45

Bank Ads That Sell the Community

ARTHUR V. BURROWES

MR. BURROWES *is editor of the St. Joseph (Missouri) "News-Press and Gazette."*

IN most cities newspapers desiring to lead in the march of progress and advancement find chambers of commerce, advertising clubs and other service organizations their partners. St. Joseph, Missouri, has learned that banks are probably the most cooperative with newspapers in building a city's future. The St. Joseph *News-Press* and *Gazette* have been conducting a survey which discloses that among all the different types of business and commercial houses that carry newspaper advertising the banks are the best fitted, most adaptable, for unity of purpose in selling the advantages of a trade area to the people of that area and beyond.

St. Joseph's banks are themselves proof of the strong civic-mindedness of their heads and a number of civic enterprises in which the press is most keenly interested find the bankers in the front line with the publishers and editors.

For instance, the president of the city library board is chairman of board of the American National Bank. The president of the park board is president of the First National Bank. The chairman of Selective Service Board No. 1 in this area is president of the Empire Trust Company. The president of the Chamber of Commerce and the president of the Automobile Club are executive officers of the Tootle-Lacy National Bank. The chairman of the council for defense in this county is president of the Missouri Valley Trust Company. The treasurer of the board of police commissioners is president of the Mechanics Bank.

This far-sighted attitude of St. Joseph bankers, shown in so many ways in not only civic but religious and philanthropic enterprises is evidenced in the form of a series of advertisements carried for the Tootle-Lacy National Bank of St. Joseph in the St. Joseph *News-Press* and *Gazette*.

The idea for the series is the brain child of Knowlton Parker, business manager of the *News-Press* and *Gazette* and the actual copy is from his pencil. The campaign has attracted attention far and wide and has done much to accentuate the high pinnacle on which the business of banking in that particular community rests.

The bank does not feature its facilities. Rather it calls attention to what St. Joseph has to offer the world.

Here you will find a national bank in paid advertising space telling newspaper readers that St. Joseph is located in one of the most outstanding farm communities in the United States, and that there is a wide diversification in products raised from fruits to livestock.

The advertisements are probably the most unique ever offered by a bank. There are large reproductions of various products of this area, for instance in one advertisement an ear of corn reaches from the upper right hand corner, seven and one-half inches down, diagonally.

Here is another example of these advertisements. "Three ham sandwiches for you and every other man, woman and child in the United States, plus a lot of sausage, bacon, etc., produced yearly in the St. Joseph, Missouri, farm territory."

Each advertisement cites that "St. Joseph's prosperity is linked with the prosperity of our farm territory" and the only actual plug line for the bank reads, "We at Tootle-Lacy invite your use of our complete banking facilities."

The copy for the advertisements received first award at the Midwest Advertising Managers Association.

One of the prize-winning ads





THIS PAGE ADVERTISEMENT IS ONE OF A SERIES APPEARING IN:

DUN'S REVIEW; THE FOOD PACKER; JOURNAL OF ACCOUNTANCY; PACIFIC FISHERMAN; COTTON AND COTTON SEED OIL PRESS; SPIRITS; WINES AND VINES; FEED-STUFFS; IRON AGE; AMERICAN LUMBERMAN; TIMBERMAN; SEED WORLD; PEANUT JOURNAL AND NUT WORLD; AMERICAN PAINT JOURNAL; OIL AND GAS JOURNAL; WHOLESALE GROCER NEWS; FOOD FIELD REPORTER; AVIATION NEWS; COMMERCIAL FERTILIZER; NATIONAL BUTTER AND CHEESE JOURNAL.

LAWRENCE ADVERTISING opens business men's eyes to *"hidden credit"*... steers them toward the banks for inventory loans! That hidden credit is *safe* collateral for your bank when protected by Lawrence System field warehouse receipts. Get in touch with your nearest Lawrence office.

LAWRENCE SYSTEM

LAWRENCE WAREHOUSE COMPANY

FIELD WAREHOUSING FOR BANK LOANS ON INVENTORY

American Bankers Association Consumer Credit Survey—1944

State	No. of Banks Replying	No. of Banks in or to be in C.C.	PERSONAL LOANS		TIME SALES—EQUIPMENT				AUTOMOBILE LOANS				F. H. A.—TITLE I				MODERNIZATION LOANS				State
					Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect		
			Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	Pres.	P/W	
Alabama	132	129	121	126	52	75	39	64	106	109	64	73	38	47	20	26	76	95	17	34	Alabama
Arizona	19	18	18	18	8	12	13	15	15	15	12	14	15	15	11	11	14	14	8	8	Arizona
Arkansas	146	142	127	132	76	97	72	89	113	125	79	91	42	64	18	23	74	99	19	28	Arkansas
California	208	193	185	185	124	141	122	138	174	175	121	140	125	137	79	103	140	144	56	74	California
Colorado	116	115	105	108	71	87	47	60	100	104	67	80	40	51	15	19	52	67	14	19	Colorado
Connecticut	153	115	100	104	50	65	60	69	64	78	56	72	62	62	34	40	75	79	37	40	Connecticut
Delaware	34	29	23	25	12	15	12	16	17	20	14	15	7	9	4	5	13	17	7	9	Delaware
District of Columbia	23	23	23	23	9	13	13	17	13	16	11	15	17	18	13	15	14	16	7	9	District of Columbia
Florida	116	114	102	108	53	73	60	82	87	90	74	84	32	38	29	41	58	64	25	37	Florida
Georgia	201	200	196	196	128	148	89	114	174	170	126	131	73	86	43	54	111	129	35	47	Georgia
Idaho	80	80	76	78	44	55	46	60	65	69	50	63	32	38	18	28	50	51	15	21	Idaho
Illinois	608	587	544	549	292	376	287	363	443	483	349	403	190	221	116	137	351	406	115	156	Illinois
Indiana	368	362	336	347	190	249	193	259	268	298	208	265	136	166	70	92	244	280	73	102	Indiana
Iowa	437	433	389	389	230	294	197	265	359	393	252	290	124	152	73	97	239	287	78	121	Iowa
Kansas	441	431	412	413	275	327	167	220	362	395	220	267	76	96	29	38	224	276	44	61	Kansas
Kentucky	224	212	204	205	72	98	62	93	94	127	86	111	49	55	14	20	116	140	17	35	Kentucky
Louisiana	91	90	82	85	35	54	30	47	69	80	44	54	27	37	17	19	46	59	20	29	Louisiana
Maine	89	84	71	73	37	46	38	47	45	52	34	41	40	44	19	20	49	52	12	20	Maine
Maryland	138	123	103	107	51	71	43	63	82	98	53	73	40	45	21	30	75	88	20	29	Maryland
Massachusetts	292	256	217	222	91	117	101	127	117	137	106	127	99	118	49	69	166	182	49	64	Massachusetts
Michigan	372	367	347	348	260	295	235	274	327	347	252	293	159	171	89	100	261	299	103	134	Michigan
Minnesota	551	548	522	529	357	428	333	406	480	516	377	441	208	263	167	202	363	418	144	184	Minnesota
Mississippi	121	118	113	115	52	65	49	61	84	94	62	69	36	51	23	29	69	81	23	33	Mississippi
Missouri	433	427	403	406	248	289	171	220	348	380	186	238	136	165	72	93	230	273	65	89	Missouri
Montana	87	84	80	81	49	63	46	63	73	77	48	61	39	42	18	24	55	69	20	28	Montana
Nebraska	270	264	229	242	133	169	97	133	216	234	118	145	50	77	27	41	88	138	25	50	Nebraska
Nevada	16	15	14	14	6	8	11	13	12	12	14	15	11	13	7	8	9	9	4	5	Nevada
New Hampshire	80	72	67	68	27	37	29	39	36	42	34	43	27	31	10	12	42	52	16	24	New Hampshire
New Jersey	307	288	252	268	136	198	114	167	194	225	134	179	204	219	117	137	163	190	68	96	New Jersey
New Mexico	38	37	37	37	21	28	17	26	23	34	18	26	16	22	2	4	17	27	5	6	New Mexico
New York	688	616	486	514	356	450	331	419	453	502	343	408	345	395	196	246	336	396	157	225	New York
North Carolina	171	168	153	157	79	105	87	108	132	145	105	120	45	58	29	41	96	111	37	53	North Carolina
North Dakota	122	121	111	115	63	80	76	89	104	111	88	98	47	65	26	43	64	83	25	42	North Dakota
Ohio	550	541	489	502	344	403	245	310	458	483	286	330	172	200	94	126	367	414	95	138	Ohio
Oklahoma	270	263	252	253	176	204	132	153	227	246	153	179	47	69	24	36	134	155	39	44	Oklahoma
Oregon	99	97	96	97	65	72	68	78	93	94	69	78	59	67	43	54	62	73	28	41	Oregon
Pennsylvania	784	753	603	653	387	503	353	466	514	584	413	496	304	340	176	229	500	577	206	283	Pennsylvania
Rhode Island	27	23	21	21	10	10	13	16	16	17	18	19	11	11	7	8	12	13	7	9	Rhode Island
South Carolina	72	70	65	66	35	42	22	27	55	60	31	33	20	29	13	16	35	40	13	14	South Carolina
South Dakota	156	156	146	149	97	121	85	107	137	147	97	115	54	64	20	29	83	98	27	38	South Dakota
Tennessee	185	184	176	177	109	126	119	134	136	150	131	145	54	65	25	41	109	129	42	64	Tennessee
Texas	520	514	490	499	333	411	200	260	465	432	254	305	124	169	70	107	255	317	106	153	Texas
Utah	53	53	49	52	35	40	24	34	50	51	32	35	34	37	14	16	38	41	10	11	Utah
Vermont	65	63	59	59	33	42	33	41	38	47	36	44	22	25	10	13	35	44	13	21	Vermont
Virginia	238	233	217	225	143	190	116	162	179	207	137	174	105	134	41	68	152	183	58	86	Virginia
Washington	168	163	162	162	112	124	111	135	152	155	108	127	92	102	61	66	118	133	46	63	Washington
West Virginia	123	118	106	111	53	74	50	66	59	77	61	79	25	37	17	25	71	84	18	33	West Virginia
Wisconsin	473	465	436	447	276	345	230	293	365	404	220	278	142	176	108	131	307	356	80	134	Wisconsin
Wyoming	50	49	45	48	25	31	29	35	41	43	27	35	29	33	8	11	28	34	15	13	Wyoming
Totals	11,005	10,606	9,660	9,908	5,920	7,366	5,117	6,543	8,234	8,950	5,878	7,017	3,881	4,629	2,206	2,843	6,286	7,382	2,163	3,057	

Consumer Credit After the War

LOUIS J. ASTERITA

The author is secretary of the Consumer Credit Committee, American Bankers Association.

MUCH has been written and said about consumer credit and the role it will play in our post-war economy. It is only natural for bankers and others interested in this type of business to ask questions regarding the post-war possibilities, whether the banks' expansion program is properly planned; and just what credit policies will be adopted. Such questions as these, and many others, have been answered in recent months by leading bankers, economists, manufacturers, and business men, all of whom are recognized as keen students of consumer credit problems and possibilities.

In order to determine the banks' attitude toward this comparatively recent development of credit in their business, the Committee on Consumer Credit of the American Bankers Association, under the direction of the chairman, Carl M. Flora, vice-president of the First Wisconsin National Bank, Milwaukee, conducted a survey last year, the overall results receiving wide distribution.

THE eagerness of bankers to learn how consumer credit planning in their state compared with that of neighboring states prompted the committee to furnish this information for each state. This type of information has been valuable to bankers in many states who had not quite decided on their post-war plans. This question was asked by many banks: "How many other banks in my state have indicated that they will do consumer financing?" When the inquiring banks received this information, it was one of the contributing factors in influencing the officers and boards of directors to follow a similar policy.

The results of this study, illustrated in the table, reveal an impressive increase of bank participation in consumer credit in the post-war era over the present activity (1944).

The Association's Committee on Consumer Credit is endeavoring to bring to those banks not fully acquainted with operating methods and procedure material that should prove of valuable assistance when the department's activities are being expanded. The following are the publications issued to date on the various types of lending: "Airplane Financing," "Analysis of Soldiers' and Sailors' Civil Relief Act of 1940, As Amended," "Bank Manual on Automobile Financing-Dealer Plan," "Bank Manual on Personal Loans," "Home Appliance Financing," "Operating Cost Manual for Consumer Credit Departments of Banks," and "Rebate of Instalment Loan Charges."

A bank manual on the direct automobile loan plan is being prepared, which will give effect to the much discussed local insurance agent-broker and bank tieup. Many large national insurance underwriting companies are tremendously interested in this lending and eager to cooperate with banks interested in direct automobile lending.

| | | |

One of the primary functions of the Committee on Consumer Credit is to assist banks contemplating entering this field of lending and to make available to banks practices and procedures that have been successfully used by those banks experienced in the various phases of consumer credit.

A thorough understanding of many of the ramifications connected with this type of lending is extremely important and should lend assurance to the successful operations of the department.

From time to time the Consumer Credit Department issues bulletins on recent developments that serve as a guide to the prospects for this credit.

Most banks have set up definite plans for the post-war era and by making proper preparations now to make consumer instalment loans just as soon as the market for consumer goods returns, a bank should, through cooperative planning with other elements in the economy, be implemented in setting the tempo for the trends. Consumer credit may then become a powerful factor, a catalyst of production and employment, the important key to the distribution bottleneck. If consumer credit could be expanded as it is expected to be, much of the Government's spending would be unnecessary as a means of providing purchasing power.

The large potential production force that the war has shown to be ours might never be realized in peacetime without consumer credit playing an important role.

The tendency to spend when the war (or part of it) is over will have the strength of powerful forces behind it. The psychology of replenishment following a period of sacrifice will be accelerated through the large accumulation of savings. The patriotic motives for limited spending, now so powerful, will no longer be effective. Consumer credit institutions of all kinds, together with those consumers that appreciate the seriousness of the post-war inflationary threat represented by accumulated savings, would do well to consider the advisability of a national educational campaign to urge the conservation of these savings immediately after the war and the need for spreading them over a period of years following the "transition" period.

MOST certainly it is to be hoped that the public will hold its War Bonds. The total of bank deposits and currency in the hands of the public is now double what it was at the beginning of the program and it seems probable that the total will increase to two and a half times the pre-war figure before the large military expenditures can be curtailed.

There is a substantial opinion that individuals and business in the aggregate will not need to borrow additional funds in view of the currently expanded supply of money. However, we all know that although the money supply has been more than doubled, the resources at the disposal of many individuals have been reduced instead of increased. The post-war activity that we are visualizing as a necessity must have credit to give it life, and this credit must be consumer credit. But important as it seems, this also means that all the abuses that abounded in the 1920's and 1930's must disappear, as these abuses will not be brooked by the enlightened and consumer credit conscious public of the late 1940's.

The bankers must remember that they dignified the consumer credit business when they entered it on a broad scale.

With the conclusion of hostilities, more banks will enter this field, and questionable practices and unsound promotional schemes should be avoided, with all bankers pulling and planning together. They should continue to provide necessary credit to the general public on a sound, dignified basis.

THE FORT WORTH NATIONAL BANK
FORT WORTH, TEXAS

★

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS
MARCH 20, 1945

★

RESOURCES

CASH AND DUE FROM BANKS		$ 48,427,396.87
UNITED STATES GOVERNMENT SECURITIES:		
MATURING WITHIN 1 YEAR	$36,310,840.99	
MATURING 1 TO 5 YEARS	10,217,186.88	
MATURING 5 TO 10 YEARS	11,829,346.89	
MATURING OVER 10 YEARS	200,000.00	58,557,374.76
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS		2,087,544.77
OTHER BONDS, NOTES, AND DEBENTURES		679,428.21
STOCK FEDERAL RESERVE BANK		150,000.00
LOANS AND DISCOUNTS		30,907,244.91
INCOME EARNED—UNCOLLECTED		222,511.33
BANKING HOUSE	$ 1,408,500.00	
FURNITURE AND FIXTURES	1.00	1,408,501.00
OTHER REAL ESTATE		1.00
CUSTOMERS' LIABILITY—LETTERS OF CREDIT		106,238.33
OTHER RESOURCES		25,283.38
TOTAL		$142,571,524.56

LIABILITIES

DEPOSITS:		
INDIVIDUAL	$86,737,173.18	
BANK	33,425,433.64	
U. S. GOVERNMENT	12,097,190.75	
OTHER PUBLIC FUNDS	3,133,956.56	$135,393,754.13
LETTERS OF CREDIT ISSUED		106,238.33
INCOME COLLECTED—UNEARNED		46,926.55
RESERVE—TAXES, INTEREST, AND EXPENSES		263,366.07
RESERVE—TO COVER ALL BOND PREMIUMS		372,742.54
OTHER LIABILITIES		569.39
CAPITAL ACCOUNT:		
COMMON STOCK	$ 2,500,000.00	
SURPLUS	2,500,000.00	
UNDIVIDED PROFITS	637,927.55	
RESERVE FOR CONTINGENCIES	750,000.00	6,387,927.55
TOTAL		$142,571,524.56

U. S. Government and other securities carried at $23,439,674.47 in the above statement are deposited to secure public funds and for other purposes required or permitted by law

May we interrupt..?



We can assist you with your post-war plans

IF you are thinking of the multi-story building you will build when the war is over — or

If you are among the thousands of progressive property owners and building managers who are thinking of modernizing their vertical transportation system when labor and materials are available —

We suggest that you get the planning behind you now as we have learned by experience that the preliminary plans for an elevator or escalator installation often take more time than is required for the manufacture and installation.

Your Otis representative is ready now to help you develop your elevator plans . . . to make preliminary studies and recommendations. Call him today and be assured of the last word in vertical transportation tomorrow.

Otis ELEVATOR COMPANY
OFFICES IN ALL PRINCIPAL CITIES

WAR BOND SALES CONTESTS

JOHN J. McCANN

THERE is an idea or two to be gleaned from the following reports from banks that have developed sales-minded staffs:

To step up bond sales in the Sixth War Loan drive, the GUARANTY TRUST COMPANY of New York sponsored a contest through the Guaranty Club—a staff organization involving all employees except officers.

Each employee was assigned to a team, which comprised 20 members and a captain, and friendly competition among teams was urged. The banking department had 31 teams in the field with a total personnel of 619 members of the various divisions of that department. There were 13 foreign department teams with 262 members; 54 trust department teams with 1,106 members; and 64 general organization teams with 1,153 members, the latter grouping including also the building department and Fifth and Madison Avenue offices. The total number of salesmen was 3,141, and they served on 162 teams. At the close of the drive the contest committee graded all the teams in two ways in submitting its final report: first, based on the number of bonds sold, and second, based on the dollar amount sold.

Rules were established by the club's contest committee, and some of the features of the contest that aided in its success were:

Twenty awards of War Bonds and stamps—10 for men and 10 for women—were offered each week, all awards being based on individual sales records.

All sales and purchases of bonds were converted into units of $25 bonds, and each unit entitled the competitor to one chance in the weekly drawing for a $50 War Bond, as well as one chance for the grand prize at the end of the drive.

Two grand prizes of $100 War Bonds each were awarded at the end of the drive, one for the man and one for the woman employee obtaining the largest number of individual subscriptions.

Competitors were furnished a supply of Guaranty note paper, envelopes and return postal cards, and each employee was asked to send out at least five notes to his personal friends and relatives.



Conference in New York to coordinate Treasury and mutual savings bank plans for the Seventh War Loan—*l. to r., in picture,* Leslie Lindow, Division of Sources of Funds, Treasury Department; Ted R. Gamble, assistant to Secretary Henry Morgenthau, Jr.; Robert W. Sparks, vice-president, The Bowery Savings Bank, New York, and member, A.B.A.'s Committee on War Bond Drives; Robert W. Coyne, field director, War Savings Staff and Sidney G. Tickton, economic analyst, Division of Research and Statistics, Treasury Department

A definite program to be followed through the entire period of the drive, including specified time each week for personal calls, was strongly advised by the committee.

A Blue Star Brigade composed of star salesmen, for which 116 staff members qualified, was formed in which contestants earned commissions all the way from the rank of second lieutenant on up the ladder as his sales mounted. Each member of this brigade received an American flag and decorative emblem, and a certificate in recognition of his loyal effort in the drive.

"102 Club"

The LINCOLN-ALLIANCE BANK AND TRUST COMPANY of Rochester, New York, topped its Sixth War Loan quota with actual sales of $610,400, represented by 3,621 individual subscriptions.

In addition to personal solicitation of large customers—individuals and corporations—assigned to a special team of officers, the bank sponsored an employee contest known as the "102 Club" in a tribute to the 102 staff members in the armed forces. The contest sales were limited to E, F, and G bonds. Posters were displayed throughout the bank before and during the drive to maintain the interest of employees and the public. Weekly bulletins were issued listing the names of employees selling six or more bonds which qualified them for a prize. Bulletins also highlighted the progress of the contest generally and the bank's standing in the campaign.

War stamp and bond prizes were awarded, the amounts varying with the number of bonds sold by an employee. Additional prizes were also distributed at the close of the contest for high individual sales.

Some 253 employees participated in the campaign; 149 achieved a prize-winning status; 165 were rated for high individual sales; and the high dollar value totaled $40,725.

Team Work

The PEOPLES-PITTSBURGH (Pennsylvania) TRUST COMPANY adopted a different tack in organizing its Sixth War Loan sales contest. Instead of three large teams they had 12 teams among the banking personnel of approximately 15 men each, two teams among the in-

(CONTINUED ON PAGE 75)

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, MARCH 31, 1945

RESOURCES

Cash and Due from Banks	$ 887,572,708.27
U. S. Government Obligations, direct and fully guaranteed	2,779,461,196.54
State and Municipal Securities	81,644,948.84
Other Securities	149,158,297.94
Loans, Discounts and Bankers' Acceptances	855,787,287.59
Accrued Interest Receivable	10,677,144.26
Mortgages	6,283,549.54
Customers' Acceptance Liability	3,626,600.47
Stock of Federal Reserve Bank	7,050,000.00
Banking Houses	34,767,782.41
Other Real Estate	3,853,022.64
Other Assets	2,418,765.45
	$4,822,301,303.95

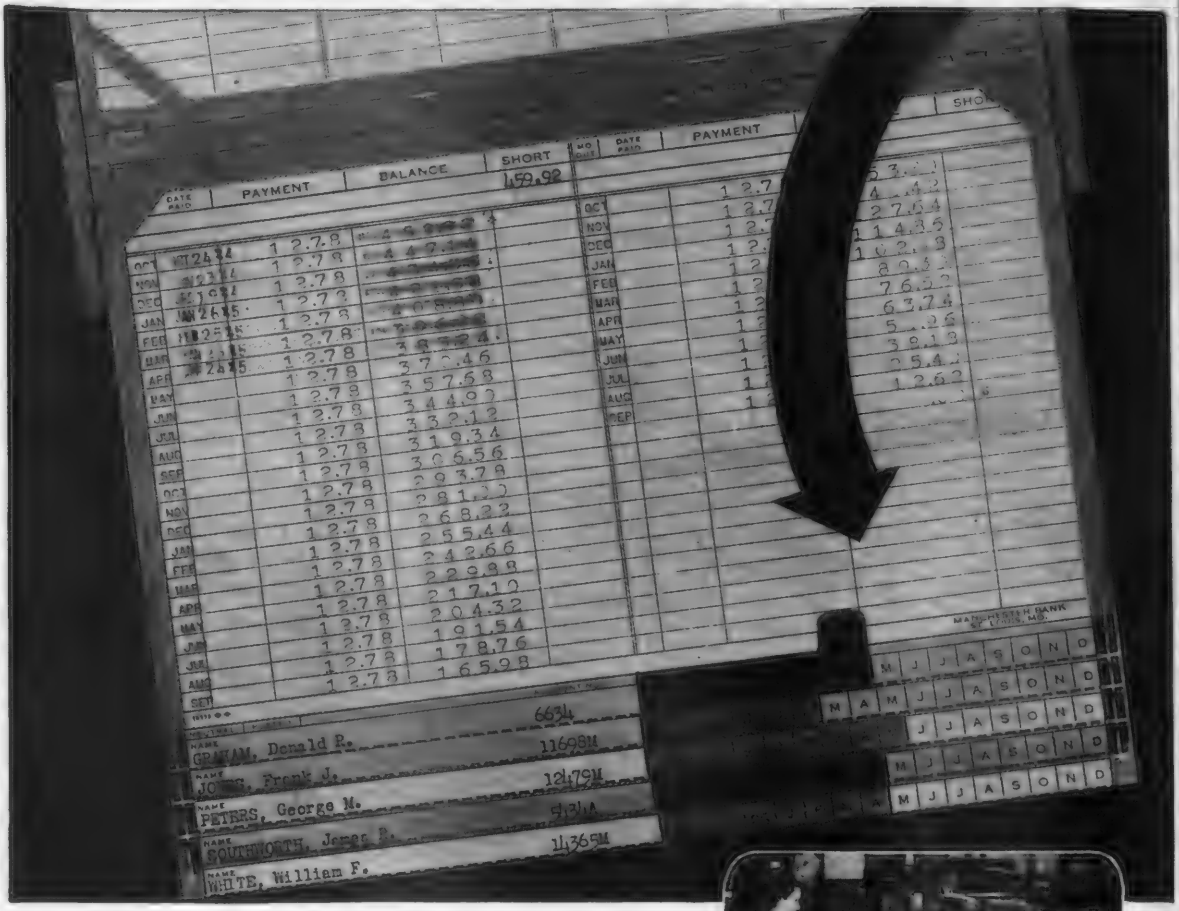
LIABILITIES

Capital Funds:		
Capital Stock	$111,000,000.00	
Surplus	124,000,000.00	
Undivided Profits	57,371,903.87	
		$ 292,371,903.87
Reserve for Contingencies		10,666,678.00
Reserve for Taxes, Interest, etc.		12,084,224.50
Deposits		4,497,560,400.69
Acceptances Outstanding	$ 8,078,802.84	
Less Amount in Portfolio	4,386,735.56	3,692,067.28
Liability as Endorser on Acceptances and Foreign Bills		77,236.06
Other Liabilities		5,848,793.55
		$4,822,301,303.95

United States Government and other securities carried at $895,338,440.00 are pledged to secure U. S. Government War Loan Deposits of $653,035,550.71 and other public funds and trust deposits, and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

FOLLOW-UP is fast with delinquents **"CHARTED"** visibly



MANCHESTER BANK, *St. Louis,* saves labor, protects records with **SAFE-KARDEX** Installment Loan Accounting



One thing war's end will unquestionably bring is increased consumer credit activity—a class of operation in which efficient record control is essential to the realization of maximum profits.

Officials concerned with *preparing now* may well consider the economy and control features of the Kardex *Visible* System used by the Manchester Bank.

Personal data and ledger cards face each other in the record, providing all information without cross-reference. The element of follow-up is obtained with *Graph-A-Matic signal control on visible margins.*

Overdue payments are instantly revealed, assuring the prompt action that minimizes danger of loss. On follow-up operations alone, this bank has saved the time of two clerks.

With all accounts preposted, credit entries are reduced to rubber stamp date impressions, which eliminates a major source of errors. Ledgers are housed in Safe-Kardex equipment—protected from fire-loss 24 hours a day.

FULL DETAILS are contained in Systems Narrator No. 554. Our nearest Branch Office will gladly send you a free copy.

SYSTEMS DIVISION

REMINGTON RAND

Buffalo 5, New York

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vestment dealers and one team comprised of life insurance underwriters.

Each team was given a quota based upon the actual production of the individuals on that team from figures secured in the preceding drive. To this total there was added 15 per cent. The emphasis was entirely upon number of sales, not upon volume.

As in previous contests, the bank sponsored a weekly report meeting at the University Club, designed as a business and social event. To promote team competition the team which had made least progress toward its quota was penalized at a subsequent meeting by having to put on a skit of their own choosing for the benefit of the rest of the group. At the victory dinner the winning team had its picture taken, which was exhibited outside the bank.

To stimulate individual initiative, the bank awarded five prizes of merchandise certificates ranging in value from $10 to $50, based upon the number of sales made by the individuals involved. Star salesman produced 458 individual sales.

The bank contends that prizes should be spread as far as possible and accordingly held a drawing based upon the following formula: For every five sales secured, the solicitor was entitled to one chance for one of ten $7.50 merchandise certificates. Thus, a man with 100 sales had 20 chances in the drawing but could win only one prize.

Admission to the victory dinner was based upon the sale of at least 15 individual bonds. Wives of the solicitors were also invited. Each man who qualified was entitled to bring his wife and each wife who sold five War Bonds or more was entitled to a chance to draw in a special drawing for the ladies. Thus, the victory dinner took the form of a dinner dance which included, in addition to the solicitors and their wives, as many of the girl's soliciting team in charge of sales to employees as made at least 10 sales. All qualified.

Important Factors

THE NATIONAL CITY BANK of New York cites the following steps or factors which contributed to the success of its staff competition in the last War Bond campaign:

Place responsibility on department heads and branch officials, that is, the regularly constituted authorities rather than on any especially created organization of campaign leaders.

*

The Granite Trust Company of Quincy, Massachusetts, honors its employees in military service by a unique and attractive window display containing photographs of all of the men and women. Identification card carries employees' rank and branch of service

*



The First National Bank *of* Chicago

Statement of Condition March 20, 1945

ASSETS

Cash and Due from Banks,		$ 402,330,817.98
United States Obligations—Direct and fully Guaranteed,		
Unpledged,	$826,965,880.70	
Pledged—To Secure Public Deposits and Deposits Subject to Federal Court Order,	336,541,088.46	
To Secure Trust Deposits,	29,053,761.25	
Under Trust Act of Illinois,	537,483.83	1,193,098,214.24
Other Bonds and Securities,		107,913,269.26
Loans and Discounts,		390,041,693.80
Real Estate (Bank Building),		3,682,102.41
Federal Reserve Bank Stock,		3,000,000.00
Customers' Liability Account of Acceptances,		1,677,423.71
Interest Earned, not Collected,		3,543,809.13
Other Assets,		646,624.57
		$2,105,933,955.10

LIABILITIES

Capital Stock,		$ 50,000,000.00
Surplus,		50,000,000.00
Other Undivided Profits,		3,026,596.88
Discount Collected, but not Earned,		762,691.81
Dividends Declared, but Unpaid,		2,000,000.00
Reserve for Taxes, etc.,		9,347,257.74
Liability Account of Acceptances,		1,837,763.03
Time Deposits,	$ 259,452,494.78	
Demand Deposits,	1,368,121,057.50	
Deposits of Public Funds,	361,385,888.75	1,988,959,441.03
Liabilities other than those above stated,		204.61
		$2,105,933,955.10

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SIGNODE
STEEL STRAPPING COMPANY

Reports Financial Position
As of December 31, 1944

	1943	1944
Sales and Revenues	$10,058,113	$13,722,372
Income before Taxes	$ 1,744,805	$ 2,576,548
Taxes on Income	$ 1,325,500	$ 1,983,000
Net Earnings	$ 419,305	$ 593,548

CONDENSED BALANCE SHEET, DECEMBER 31, 1944

ASSETS

CURRENT ASSETS:	
Cash and U. S. Government Securities	$1,589,881
Receivables	1,712,770
Inventories	1,698,472
	$5,001,123
PREPAID EXPENSES	79,245
INVENTORIES of strapping tools and parts on hand	321,282
STRAPPING TOOLS AND MACHINES IN SERVICE, less depreciation	680,647
INVESTMENTS	259,577
POSTWAR REFUND OF EXCESS PROFITS TAXES	301,250
MISCELLANEOUS ASSETS	109,085
PROPERTY, PLANT & EQUIPMENT, less depreciation	1,075,359
PATENTS	103,849
	$7,931,417

LIABILITIES

CURRENT LIABILITIES:	
Accounts Payable, Trade	$ 403,145
Payable to Signode Employees Savings and Profit Sharing Trust Fund	280,447
Accrued Taxes on Income	2,196,600
Other Payables	389,043
	$3,269,235
LONG TERM DEBTS	888,000
CUSTOMERS' DEPOSITS for Strapping Tool Service	862,423
RESERVES:	
Postwar and Other Contingencies, including Renegotiation	163,500
Employees death and disability benefits	25,000
CAPITAL STOCK:	
Preference stock, $30.00 Par Value, 30,504 shares	915,120
Common Stock, No par, 148,522 shares	700,937
EARNED SURPLUS	1,107,202
	$7,931,417

The Above Statements are Condensed From the Annual Report to Stockholders

A Copy of the Annual Report Will Be Mailed on Request

SIGNODE STEEL STRAPPING COMPANY
2600 North Western Avenue Chicago 47, Illinois

Inform these group heads on the general background of the loan and discuss with them the terms of the securities offered.

Use inspirational material and meetings wherever possible. Senior executives must show their interest by attending and speaking to these meetings.

Establish the simplest possible procedure for handling and forwarding orders, and give every participant a copy of clear instructions. Trust employees to receive payments as bank representatives.

Supply simple order forms, including a receipt which the employee may give to his customer; form letters which employees may address to prospects; and sales promotion specialties such as bond envelopes, bond registers, etc.

Require regular reports on sales progress and employ these to arouse competitive spirit. Use sales quotas where feasible.

Furnish each department or group with a catchy sales performance register.

Reward sales leaders by means showing appreciation of management to as many as possible rather than by authorizing a few impersonal cash prizes. This bank accomplished that objective by arranging a dinner-theater party for the staff in the company of officers.

No Quota

The MELLON NATIONAL BANK, Pittsburgh, Pennsylvania, set up its bond sales organization on the following basis:

Eight teams, numbered one to eight inclusive; each team, captained by two men—one an executive officer, the other, an employee, or in some cases, a head of a department. One team is made up entirely of women, headed by a woman captain. Each team has from eight to fifteen members except the women's group, which has about 30. In all, about 120 individuals are involved in the campaign.

One officer, with clerical assistance, handles the assignment of prospects, keeping of records, and general supervision over the campaign.

Prospects are carefully selected. Names have been gradually sifted by previous drives to approximately 1,500 corporations and individuals. These prospects are assigned to the teams with a view to the assignment of the prospect to the most appropriate solicitor. This is carefully worked out in regard to corporations and larger individual buyers. Generally, larger prospects are covered by officers, although this rule is not inflexible.

(CONTINUED ON PAGE 78)

Checkerdale offers...
a yardstick for your use



How up-to-date are Farmer Brown's methods? Is he taking advantage of improved feeding methods and equipment? What are his profit probabilities this season? These are questions involved in your dealings with all of the Farmer Browns in your community.

And for your community, the Purina Dealer may offer a yardstick that can frequently be helpful in measuring a local farmer's operations. If a farmer works along program lines, then he's using quality feed, seed, equipment, fertilizer, sanitation products, etc., that have been proven. More than that, he's following sound breeding, management, sanitation and feeding practices. And he's taking advantage of such aids as the Purina Feeding Advisory Service and available Marketing Service. That farmer is very likely to be an alert, aggressive, profit-making businessman — the kind of client you prefer.

Purina calls the farm store which offers all of the above supplies and special services — a Checkerdale. A farm store of this character cannot help but be a substantial factor not only in building a profitable local agriculture, but local business in general.

A Purina Checkerdale should be a matter of definite interest to you. The Purina field man serving your area has all of the details. To speed his call, drop a note to — Banker's Service Division, Purina Mills, St. Louis 2, Mo.

COMMUNITY BUILDERS



DEDICATED TO THE BUILDING OF THE AGRICULTURAL COMMUNITY

In addition to the eight teams, two officers without teams cover certain prospects, and a record of sales of the bond department and travel bureau is kept concurrently with the eight teams. The bond department and travel bureau do not have any names assigned and only get the business which comes into the bank without solicitation.

Instead of a quota, the bank urges each team to get as many sales as possible from the assigned cards, stressing the number of sales rather than the size.

The mechanics of the record keeping involves three duplicate cards for each prospect, one set being given to the team captains, who in turn allocate them to the team members. The other sets are maintained by the officer in charge of the drive, who keeps one set alphabetically and the other arranged by teams. This permits a constant control of the whole drive. Each team captain turns in cards upon completion of a solicitation. It is emphasized that a card is not to be returned until the solicitor has a definite "yes" or "no" on the prospect. The solicitor does not know the prospect's balance.

There are no large sales meetings, because the work has become pretty well systematized and everyone is familiar with the program. Each worker gets an instruction memorandum at the beginning of the campaign, and a folder of the issues in the drive, giving a brief description of the main points. This is now combined in a letter to depositors.

Prior to the drive, the letter and folder are sent to some 3,500 selected individual names. The bank has given up sending these to larger corporations, as it has found that such accounts are thoroughly conversant with the drive, and it depends on contacting them individually in any event.

The team captains are responsible for working out details with the members of their teams. There are no prizes, but they depend on a weekly report of sales by teams to stimulate interest.

Sales Kits Help

The War Bond sales organization of the HARRIS TRUST AND SAVINGS BANK of Chicago has two principal divisions. The first consists of officers of the commercial department and salesmen from all divisions which numbers about 75 people, who carry the full responsibility of selling bonds to customers only. They are divided into three teams and compete on a basis of doing the best over-all job rather than for any specific honors, such as securing the most orders or the largest amount of sales. Every customer has a card and information on the solicitation for each drive is recorded on it.

This system provides many advantages. It provides better records of progress on each name, whether or not it is a personal call, how persistent the follow-up has been. The history of the solicitation in every drive is there for the man handling the name.

Each salesman is provided with a kit containing ready reference from which to answer most questions, and suggestions on how to proceed with solicitation and follow-up. Every few days a regular bulletin is issued showing results of individuals as well as teams and what percentage of their assignments has been contacted, how many solicitations have been completed, how many orders have been obtained, and interesting personal experiences. Also in these bulletins are all of the up-to-date news and gossip about the campaign, locally and nationally. There have never been any prizes, and the only incentive is that they have been able to create a spirit whereby it is very unpopular not to do the assigned work. Teams hold sales meetings occasionally to consider their coverage.

The second division of the organization, in which everybody in the bank is eligible to participate, except the 75 people above involved in the first division, is called the Harris Volunteer War Loan Committee. The purpose is to

(CONTINUED ON PAGE 81)

EAGLE-A PAPERS

You too can avoid secondary expense . . .



The cost of a fine grade of Index Bristol is nothing compared with the secondary expense of rewriting the records on new cards when they have become dog-eared and blurred.

No matter how constantly your files are in use, or how impatient the hands which constantly ruffle them may be

EAGLE-A ACCEPTANCE INDEX BRISTOL

will stay on the job for you regardless of use or abuse. It is a tough, durable Index Bristol made of 50% strong cotton fibres for long life card index systems. A smooth uniform finish assures fine printing, ruling and writing qualities.

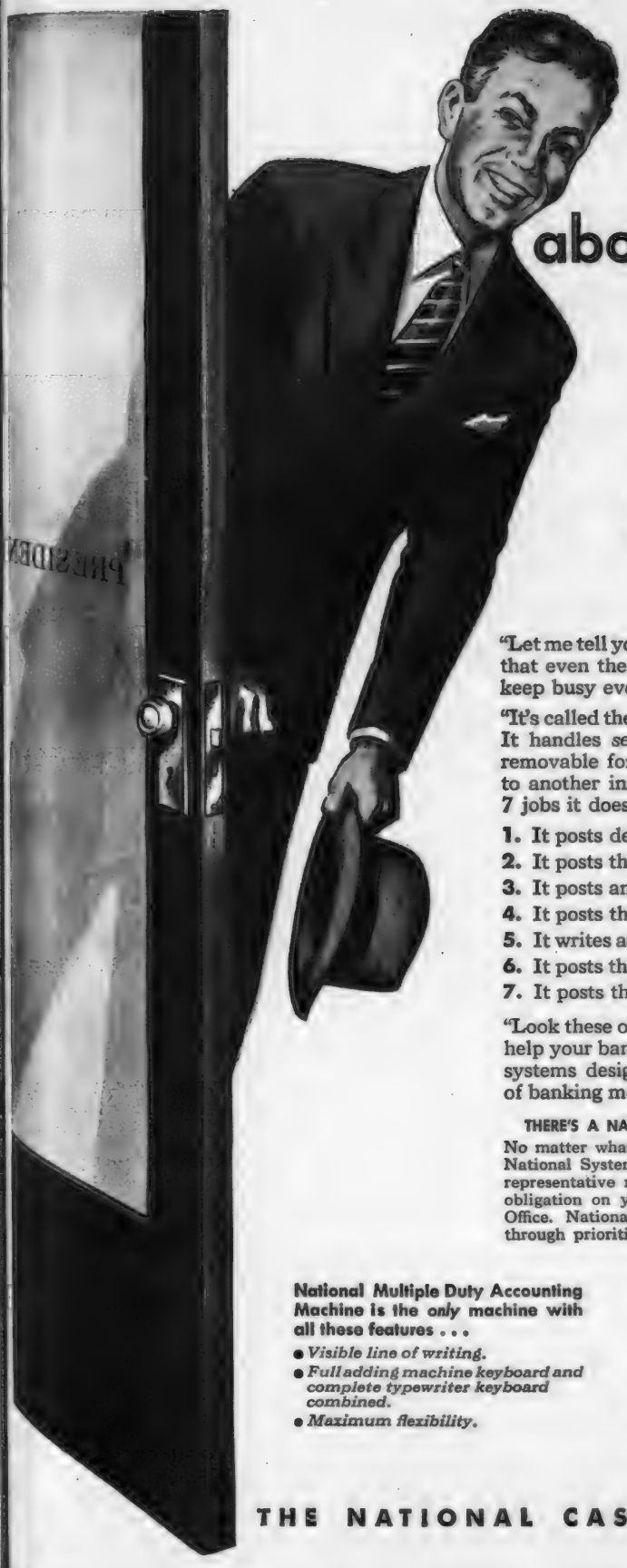
• • •

Avoid secondary expense by specifying Eagle-A Acceptance Index Bristol to your Printer, Lithographer or Stationer. Ask him also about the companion lines — Eagle-A Acceptance Bond and Eagle-A Acceptance Record.

EAGLE-A ACCEPTANCE INDEX BRISTOL

EAGLE-A PAPERS

AMERICAN WRITING PAPER CORPORATION • HOLYOKE, MASSACHUSETTS



"Want to hear about one machine that does seven basic banking jobs?"

"Let me tell you about a machine that even the smaller banks can keep busy every hour of the day.

"It's called the National Multiple Duty Accounting Machine. It handles *seven* basic banking jobs! A conveniently removable form bar enables you to change from one job to another in a matter of thirty seconds. Here are the 7 jobs it does. See for yourself:

1. It posts depositors' accounts
2. It posts the loan and discount record
3. It posts any type of mortgage record
4. It posts the trust ledger
5. It writes and posts the payroll record
6. It posts the general ledger
7. It posts the daily statement of business

"Look these over. Think how many ways this machine would help your bank. It's but one of many National machines and systems designed to reduce errors and improve efficiency of banking methods."

THERE'S A NATIONAL FOR EVERY BANK AND EVERY BANKING JOB!

No matter what the size or specific need of your bank there's a National System to meet it. Why not have an experienced National representative make a comprehensive study of your bank? No obligation on your part when you contact your nearest National Office. National Accounting-Bookkeeping Machines are available through priorities.

National Multiple Duty Accounting Machine is the *only* machine with all these features . . .

- *Visible line of writing.*
- *Full adding machine keyboard and complete typewriter keyboard combined.*
- *Maximum flexibility.*

National

CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES

THE NATIONAL CASH REGISTER COMPANY

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY
OF CHICAGO

Statement of Condition, March 20, 1945

RESOURCES

Cash and Due from Banks	$ 496,601,517.44
United States Government Obligations, Direct and Fully Guaranteed	1,601,473,003.57
Other Bonds and Securities	58,393,131.79
Loans and Discounts	332,350,296.49
Stock in Federal Reserve Bank	3,600,000.00
Customers' Liability on Acceptances	875,642.58
Income Accrued but Not Collected	5,101,330.83
Banking House	11,050,000.00
	$2,509,444,922.70

LIABILITIES

Deposits	$2,335,523,569.16
Acceptances	875,642.58
Reserve for Taxes, Interest and Expenses	15,154,018.77
Reserve for Contingencies	18,106,002.29
Income Collected but Not Earned	207,792.39
Capital Stock	60,000,000.00
Surplus	60,000,000.00
Undivided Profits	19,577,897.51
	$2,509,444,922.70

United States Government obligations and other securities carried at $461,826,198.11 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

provide everyone with an opportunity to participate in active solicitation in support of the campaign. The only restrictions are that this group does not solicit any customers of the bank and all orders must be executed at the bank. It is assumed from the start that everyone wants to participate, and they are sent a card on which to indicate if they want to take part. Over 90 per cent sign up each time.

The group is then divided into three teams with a captain and a number of lieutenants whose job it is to be sure of what is going on in every group and department. Besides, there is an overall coordinator and publicity man, and a score keeper. These campaigns are run in a light vein as far as competitve spirit is concerned, and each team puts out many pep bulletins each week. An honor roll is posted on which names are placed when three or more orders are secured and personal publicity is given to each one. For all those obtaining more than five orders, a certificate of merit is awarded by the president of the bank at the end of the drive. The goals are always set at so many orders per person. This means that each team has a goal of five times the number of people on that team.

Sales Pledge

In each War Loan drive, the LAKE SHORE NATIONAL BANK, Chicago, has had a contest among officers. Each officer pledges a quota which is posted on the contest board. One man is named to handle the contest and record progress.

For the Sixth War Loan drive the contest was in the form of a golf game. The golf game was a board made of dark green cardboard with the "greens" indicated by a lighter shade of green cardboard. The first green was indicated as 10 per cent; the second, 20 per cent, etc. with the 19th hole being 100 per cent. The bank secured wooden balls, driving a small nail into each one, painted the balls white, and placed the initial of an officer on each ball. As the contest progressed, each officer's golf ball was moved about the course, depending on his percentage as he made his sales.

During the contest bulletins were issued every few days showing the status of each officer and giving personal comments as to how each man was progressing. With the contest a prize was offered for the first officer reaching the fifth "green." Later, another prize was of-

★

Finance officers attached to General George S. Patton's Third Army, aided by a Reichbank official, check over part of an estimated 100 tons of gold bullion hidden in a salt mine near Merkers, Germany, and captured by General Patton's troops. Crates of art were seized with the gold

★



PRESS ASSOCIATION

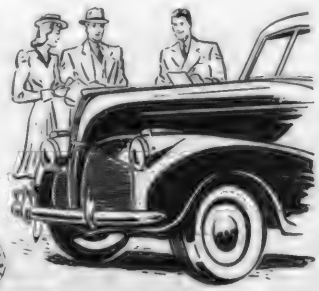
In Financing Cars...

TEAMWORK



...will benefit both the Banker and the Home-town Agent

THE local Banker and the Home-town Insurance Agent are the ideal combination for financing and protecting consumer credit. Ideal for the Banker, the Agent, the Borrower . . . best for the home town itself. Fireman's Fund, first to write automobile coverage on a nationwide scale, stands ready to cooperate in every way possible. Start now . . . talk it over with the Home-town Agent or Broker in your community.



STRENGTH
PERMANENCE
STABILITY

Standard protection
CAPITAL STOCK COMPANY INSURANCE

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP

FIREMAN'S FUND INSURANCE COMPANY
HOME FIRE & MARINE INSURANCE COMPANY
FIREMAN'S FUND INDEMNITY COMPANY
WESTERN NATIONAL INSURANCE COMPANY
WESTERN NATIONAL INDEMNITY COMPANY

SAN FRANCISCO · NEW YORK · CHICAGO · BOSTON · ATLANTA



PEAK PRODUCTION

WITH the climax of the war rapidly approaching, the maintenance of peak production remains a factor of supreme importance. Smooth working, sound financing arrangements are a necessary element in achieving this objective and it is here that the banks of the nation are playing a vital part in the war effort.

The American National, during the war years, has aided many companies, large and small, in the financing of their contracts and sub-contracts and more recently in the setting up of contract termination loans. Its broad experience in this regard, covering many industries, is at the disposal of correspondent banks in connection with their service to local customers. Inquiries are invited.

AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation

OUR BUSINESS IS TO HELP BUSINESS

fered for the first officer to complete the course and then a third prize to the officer selling the largest percentage of his quota. A little flag was attached to each golf ball indicating his per cent over 100 per cent and these were lined up alongside of the quota amounts.

The contest created a great deal of fun and interest as well as competition and the fact that the bank sold 122 per cent of its quota by the end of the second week and 163 per cent by the end of the fourth week of the drive shows that the contest was a success.

Scratch Race

The HAMILTON NATIONAL BANK of Washington, D. C., sponsored two separate contests in each of the preceding drives. In the branch competitions, each branch has been assigned a dollar volume quota and a number of sales quota. These quotas were based on an appropriate weighting of the following factors: (1) volume of deposits; (2) number of customers; (3) performance in past drives. Where specific situations are known to exist, such as payroll deduction plans for corporations employing a large number of employees, these are also taken into consideration in establishing quotas. The performance of each branch is rated percentagewise in respect to each of its two quotas, dollar volume and number of sales, and an average of the two percentages constitutes its final result.

The main office teams are not assigned quotas. This is a "scratch" race. The teams are drawn from a hat, except that the principle of "seeding," similar to that employed in tennis tournaments, is followed. In other words, contact employees of proven sales ability are first drawn among the various teams; then contact employees of secondary sales ability and lastly noncontact employees.

As in the branch contests, equal weight is given to dollar volume and number of sales, each individual sale being the equivalent to $1,000 in volume. The enthusiasm generated by these contests is really surprising and, in fact, rendered it necessary for the bank to take certain precautions in the later drives. For example, it was found that customers were being approached by too many different employees. Therefore, the bank now has a system whereby each previous substantial purchaser is assigned to the employee who sold him before for a reasonable period of time. Large accounts, not previously purchasers, are distributed among the team captains by mutual agreement.

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MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
March 31, 1945

RESOURCES

Cash and Due from Banks	$ 378,712,246.59
U. S. Government Securities	1,149,132,012.74
U. S. Government Insured F. H. A. Mortgages	4,901,542.54
State and Municipal Bonds	26,818,959.18
Stock of Federal Reserve Bank	2,220,300.00
Other Securities	20,264,312.68
Loans, Bills Purchased and Bankers' Acceptances	340,326,891.59
Mortgages	13,161,788.56
Banking Houses	11,681,530.67
Other Real Estate Equities	516,963.23
Customers' Liability for Acceptances	4,159,083.61
Accrued Interest and Other Resources	5,928,850.63
	$1,957,824,482.02

LIABILITIES

Preferred Stock	$ 7,712,300.00	
Common Stock	32,998,440.00	
Surplus	33,000,000.00	
Undivided Profits	20,384,160.33	$94,094,900.33
Reserves for Contingencies, Taxes, Unearned Discount, etc.		12,731,266.15
Dividend on Common Stock (Payable April 2, 1945)		824,959.50
Dividend on Preferred Stock (Payable April 15, 1945)		192,807.50
Outstanding Acceptances		4,522,578.17
Liability as Endorser on Acceptances and Foreign Bills		240,323.58
Deposits		1,845,217,646.79
		$1,957,824,482.02

United States Government securities carried at $219,679,307.36 are pledged to secure U. S. Government War Loan Deposits of $188,142,748.31 and other public funds and trust deposits, and for other purposes as required or permitted by law.

Principal Office: 55 Broad Street, New York City

68 BANKING OFFICES IN GREATER NEW YORK

European Representative Office: 1, Cornhill, London, E. C. 3

Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Preferred shares, all of which are held by institutions and other investors, have a par value of $20 and are convertible into and have a preference over the Common to the extent of $50 per share and accrued dividends.

Tomorrow's Bank Building

If Mr. Banker could remodel his bank or build a new one today, he has many ideas about how he would improve on his present structure. He would begin with a friendly and inviting exterior, which would include eye-level windows used to merchandise banking service in department store fashion; he would proceed to lobby improvements, better arrangement of bank departments, use of sound-proofing and air-conditioning, and the provision of facilities for use of employees and public.

These features of a modern bank building were most frequently mentioned in the letters from bankers received by BANKING, written in response to an inquiry on what bankers would expect from a new or remodeled bank building.

The Exterior

Let's start with the outside, and see what the banker has specified for the exterior of his bank.

"A country bank building should be pleasing in architecture, not austere, nor formidable and expensive in appearance," wrote an Iowa banker. "Setting the bank in from the walks and away from neighboring walls with space for grass would add to its attractiveness where this is suitable. There would be false windows for advertising at outside eye-level, and windows to let in light and air high enough that carts can be wheeled up against the walls, and prying eyes cannot see in."

Another country banker said he would aim at a homey atmosphere in planning a new bank building. "The first requirement would be a location with enough space to permit a grass plot on all sides of the building, back from the street with enough room to allow for shrubbery," he wrote. "We would try to get away from the usual cold bank design and try for something more inviting. People presume banks are 'solid' these days, but need to be impressed with the bank's desire to be helpful to all."

The desirability of parking space on the bank lot or convenient to it was mentioned by some bankers in medium and smaller localities. Drive in depository arrangements were also desired.

City bankers were more concerned with the effect of windows and doors. "The bank should be on the ground floor with permanent entrance marked by some attractive electric display," according to a Chicago banker. "There should be window displays on the street, not in the usual bank style, but more in accordance with retail merchandising."

Another Chicago banker said: "If I were really swanky in remodeling the building I would put in an electric eye so that the doors would open automatically, and I think that if the lobby was wide towards the front so that the people would get out of the way quickly and thus eliminate the appearance of crowding towards the front of the bank, it would act as a 'puller-in' to Mr. Milquetoast and other timid souls."

Doors entirely made of glass were suggested by a New York State banker, who wanted an entrance large enough and friendly enough to invite people in, but not so large that the doors are heavy to handle and give a feeling of unfriendly immensity.

(CONTINUED ON PAGE 86)



St. Louis Leads Again!

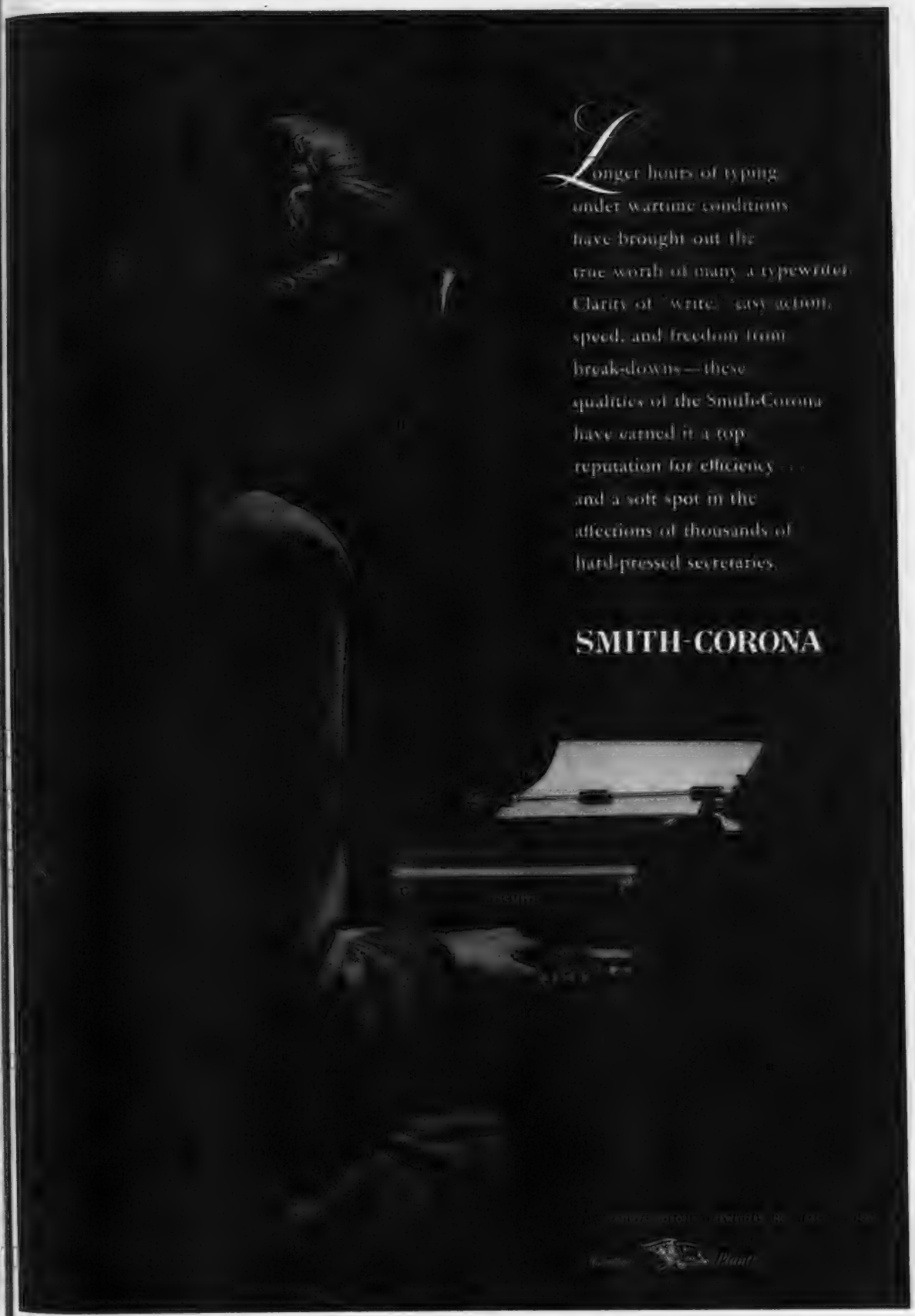
LAST YEAR St. Louis led the nation in percentage of new war contracts placed during 1944. This record increase brought the St. Louis area's percentage of the nation's war output to 4.4% by dollar value, or $1,394,922,000.

Factors contributing to this leadership include St. Louis' central inland location, the availability of power, labor, and unexcelled transportation facilities. Thus St. Louis' production for War again emphasizes the traditional advantages of the strategic, central location of this city at the gateway to the great Southwest.

Mercantile-Commerce, today, as always, offers every facility and complete correspondent service to banks and bankers interested in this vital trade territory.

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Three of five large photomurals showing historic scenes in Charleston, S. C., as they appear in the newly redecorated building of the South Carolina National Bank, Charleston

"Too much thought has been given in the past to the idea that a bank should look like a combination of a court house, the city jail and the subtreasury in order to impress upon people's minds that they are dealing with a financially sound institution," summed up a mid-western banker. "I am convinced that color and design have an effect on the attitudes of people and that if banking is conducted in the right atmosphere there will be fewer references made to the hard-hearted, glassy-eyed, stuffed-shirt bankers."

Progressing to the inside of the bank, it appears that bankers are unanimous in wanting lobbies to have less marble, bronze and "cold" materials, and more wood, plastic, and "warm" materials.

"The bank quarters used by the public should have the accent on attractiveness rather than durability," wrote a Chicago banker. "A thoroughly progressive bank should do over its quarters from time to time and not expect nor plan to build something that will endure without change for the next one thousand years. I would want more than anything else to create a feeling of warmth and friendliness.

"To be more specific, I would eliminate all marble except as it might enter into the attractiveness of a design. I would eliminate all cages with their bronze work, wickets, gates and windows, and handle these contacts over an attractively designed counter, which creates the feeling of warmth and friendliness which would permeate the whole organization. Instead of hard, cold floors I would want floor coverings which would blend into the color scheme. I would use color schemes which are studied to create the right psychological reactions, which makes for quiet dignity coupled with a homelike warmth and comfort. The color scheme should center around attractive murals or paintings depicting the history of the institution and the pursuits of the people of the community."

A PENNSYLVANIA banker reported that he had remodeled the banking room before the war and discarded all tellers' cages. Counters were cut low with glass tops so that visitors can look through the lobby from the front door to the rear. "If I planned a new interior," he said, "I would certainly discard all thoughts of cold marble and would substitute fixtures made of either walnut or mahogany with ample counter space for good and efficient service to the public."

Bankers' ideas on other features of a new bank will be published next month.

Guaranty Trust Company of New York

Fifth Ave. at 44th St. — 140 Broadway — Madison Ave. at 60th St.

LONDON PARIS BRUSSELS

Condensed Statement of Condition, March 31, 1945

RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers		$ 517,704,196.36
U. S. Government Obligations		2,159,912,428.58
Loans and Bills Purchased		691,163,638.51
Public Securities	$ 58,077,648.54	
Stock of the Federal Reserve Bank	7,800,000.00	
Other Securities and Obligations	25,976,152.51	
Credits Granted on Acceptances	1,231,884.25	
Accrued Interest and Accounts Receivable	10,079,766.86	
Real Estate Bonds and Mortgages	1,512,114.92	
		104,677,567.08
Bank Buildings		9,492,368.19
Other Real Estate		850,115.65
Total Resources		$3,483,800,314.37

LIABILITIES

Capital	$ 90,000,000.00	
Surplus Fund	170,000,000.00	
Undivided Profits	45,148,336.25	
Total Capital Funds		$ 305,148,336.25
General Contingency Reserve		34,633,206.15
Deposits	$3,106,648,080.53	
Treasurer's Checks Outstanding	7,604,357.59	
Total Deposits		3,114,252,438.12
Acceptances	$ 4,347,293.69	
Less: Own Acceptances Held for Investment	3,115,409.44	
	$ 1,231,884.25	
Liability as Endorser on Acceptances and Foreign Bills	100,632.00	
Foreign Funds Borrowed	152,550.00	
Dividend Payable April 2, 1945	2,700,000.00	
Items in Transit with Foreign Branches and Net Difference in Balances between Offices Due to Different Statement Dates of Foreign Branches	2,490,268.66	
Accounts Payable, Reserve for Expenses, Taxes, etc.	23,090,998.94	
		29,766,333.85
Total Liabilities		$3,483,800,314.37

Securities carried at $799,236,912.68 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

This Statement includes the resources and liabilities of the English and French Branches as of March 26, 1945, and Belgian Branch as of October 31, 1941.

Member Federal Deposit Insurance Corporation

As our Second Century Begins



On May 17th, this bank becomes one hundred years old.

With our country locked in a great conflict, the management considers it fitting to pause only for a fleeting look backward.

Our history, perhaps, is little different from the hundreds of other pioneer banks which prospered by rendering vitally needed financial services to their community.

In 1845 our first three employees gazed from their windows upon a Cleveland that housed only 1500 families. It was a village of dirt roads and stage coaches, log cabins and crude frame buildings —a village without a municipal water supply or fire department.

Life was primitive and hard. But courage, ambition and confidence were everywhere.

It is written in our records that many a hardy, bearded pioneer with an idea found a sympathetic hearing at the bare little bank on Superior Street, and went forth with funds to finance his enterprise.

With the westward surge of empire came railroads, and oil and ore. And ever more people. Infant industries began to thrive.

Through the years, as our bank "grew up" with Cleveland, it was able to assist many men and firms who contributed signally to the development of our community, our state and our nation. Its service continued through the years without interruption.

Looking back, it is evident that successive managements followed flexible policies in keeping with the vision of leaders and advancing needs of the times.

This too, is the aim of today's directorate, management and employees, as our bank begins its second century of service.

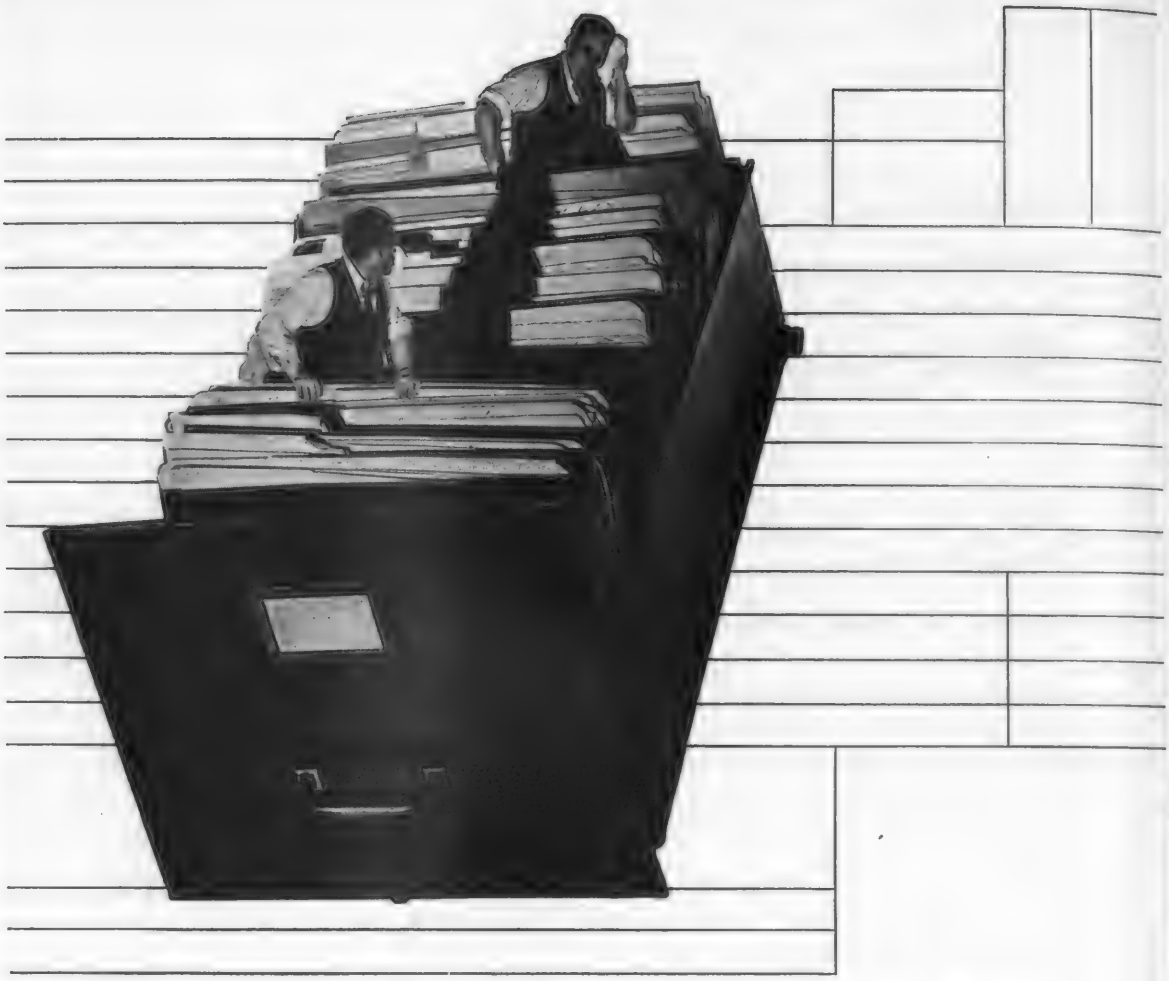
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NATIONAL CITY BANK

OF CLEVELAND

Euclid at East Sixth THE NATIONAL CITY BANK 1845 CLEVELAND'S OLDEST BANK *and in Terminal Tower*

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Kind of crowded in here

How much confusion in an office comes from business forms long since split at the seams?

Firms big and little operate with forms equal to times-as-they-were, but now costly, overlapping and unequipped to cope with a war economy.

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The Moore representative, an expert in your own field, is ready to call on you now. Particularly to the essential war business, he comes with ideas to speed and canalize output. He speaks the language you know. For immediate information, get in touch with the nearest Moore division, as listed below, or its local office.

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MOORE BUSINESS FORMS, INC.

ADV. BY N. W. AYER

GI Loan Insurance Coverages

HUGO H. METHMANN

MR. METHMANN *is assistant vice-president of Fireman's Fund Indemnity Company.*

SOME 2,000,000 of our fighting men are getting ready to be their own bosses when they come home. In foxholes, aboard ship, everywhere along our far-flung fighting fronts, they are dreaming about the businesses they will start or buy when they return.

Because in days gone by there have been failures aplenty among operators of filling stations, automobile repair shops, groceries, lunch rooms, bakeries and radio sales and repair shops (to name just a few of the more popular lines), the United States Armed Forces Institute has published handbooks about each of some 20 specific businesses in which the pitfalls are underscored and the requirements for success are set forth so clearly that boys who will do real thinking in addition to dreaming will have a better chance of making their dreams of successful civilian life come true.

MOST veterans, whether equipped to make a success of business life or not, will be entitled to apply for a GI business loan, and this realization is already bringing to the minds of bankers such considerations as the following:

Loans will be made although the value of tangible property subject to mortgage falls far short of the amount borrowed; many veterans will have no working capital; there are no co-signers as in personal loans; the interest rate is lower than any banker has ever charged on a loan of this class; the borrower is not the operator of an already established and successful business; if he is buying an established business, he may fall 'way short of filling the shoes of the former owner; even if he had a successful business before the war, his several years away from home may count against his getting back into stride.

Of course the Government guarantees 50 per cent ($2,000 limit) of the loan. This means a great deal, yet every banker is well aware that it is strongly against his interests to have a loan default, bringing grief and trouble to the borrower and his family. You've doubtless gone a step beyond this and reflected that the goodwill you have built up over many years could be endangered through your having to close out a loan made to a returned hero.

For these reasons it is evident that the loans made to veterans under the GI act call for very close analysis of the insurance coverages required. As one banker said recently, "These loans are likely to prove difficult enough without inviting further complications due to failure to insure against things that might happen."

Thus we come to the question, "What insurance coverages are really vital to the operator of a small business?" Certainly not just straight fire insurance, but also extended coverage (windstorm,

1st NATIONAL

STATEMENT OF CONDITION

At the close of business March 20, 1945

ASSETS

Cash on Hand and Due from Banks	$ 76,014,761.16
United States Securities Owned	132,791,904.42
Stock in Federal Reserve Bank	450,000.00
Other Stocks and Bonds	2,023,869.51
Loans and Discounts	70,683,208.70
Furniture and Fixtures	226,892.26
Banking House	2,105,000.00
Other Assets	1.00
	$284,295,636.99

LIABILITIES

Capital Stock		$ 7,500,000.00
Surplus Fund		7,500,000.00
Undivided Profits, Net		5,245,511.67
Reserved for Taxes, Etc.		1,023,376.47
DEPOSITS:		
Individual	$157,391,583.93	
Banks and Bankers	76,502,128.14	
U. S. Government	29,133,036.78	
		263,026,748.85
		$284,295,636.99

NATHAN ADAMS, *Chairman of the Board* EDGAR L. FLIPPEN, *President*

FIRST NATIONAL BANK IN DALLAS MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

explosion, etc.) and some form of business interruption or use and occupancy insurance.

Actually there is probably nothing more necessary than so-called "third party" liability insurance against claims for bodily injury or damage to or destruction of property arising out of the business or personal activities of the borrower. Because of the broad coverage with the minimum of easily understood exclusions, one of the new forms of comprehensive liability policies, which automatically insures (without notice to the company) additional exposures and operations developing after the policy is written, is suggested. A word or two more illustrates the flexibility of such form: The policy is put into force for a premium based upon exposures or hazards (type of premises occupied, nature of manufacturing or contracting operations, products sold, handled or distributed, automobiles owned or used and the so-called "hold harmless" or "indemnifying" agreements common in leased premises) existing when the policy is written. Upon expiration of the policy the premium is adjusted if necessary, the final charge being based upon exposures or hazards that actually existed while the policy was in force.

Naturally life insurance, and perhaps disability insurance, has a place in the insurance program of any individually-owned small business and certainly if the operator has employees, workmen's compensation and employers' liability insurance must be carried.

Because even a loss of a few hundred dollars could cause the shoe-string operator of a small business to fail, burglary and robbery coverages should be considered. One of the "package policies," such as the storekeeper's burglary and robbery policy, which provides $250 insurance on each of a number of burglary and robbery hazards, may be ample in many instances.

Dyers and cleaners and the operators of laundries and of repair shops are likely to have in their possession a substantial amount of customers' property and should be impressed with the fact that "bailee's customer" insurance, provided by the inland marine departments of insurance companies, is a "must."

Anyone can think of occasions where fidelity insurance would be considered necessary; thus the cost of and the protection afforded by a blanket position bond should be investigated even in a small operation involving only three or four employees.

Some bankers have found that they need discuss the insurance needs of a borrower only generally; that it is enough merely to point out the necessity for proper insurance and leave it to the borrower to consult his insurance agent or broker. Whether this is sufficient in the great majority of cases is quite a question and probably you would do well to insist that every veteran actually arrange a reasonable minimum insurance program before *his* GI loan is granted.

Every business is full of all kinds of risks; things that happen which may cause it to fail. The questions bankers are asking insurance men today show that they are anxious to figure out *which* risks can be eliminated entirely or partly by insurance, and more and more are they reflecting the feeling that insurance should play a greater part in providing safety for the borrower as well as the banker, not only in connection with GI loans but in all kinds of loans.

Among your depositors with whom you are already acquainted is some well-seasoned home town agent representing good insurance companies. Why not have him set down for you a schedule of insurance that would enumerate "vital" coverages, "advisable" coverages and "available" coverages, and then let this schedule be your chart for a safe course in making all veteran loans?



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STATEMENT OF CONDITION
MARCH 20, 1945

RESOURCES

Cash on Hand and on Deposit with Federal Reserve and Other Banks	$ 83,332,728.81	$219,336,367.95
U. S. Government Securities	136,003,639.14	
Other Bonds and Securities		23,209,917.93
Stock in the Federal Reserve Bank		360,000.00
Loans and Discounts		27,727,043.25
Banking House		200,000.00
Accrued Interest Receivable		600,820.81
Other Resources		17,641.77
		$271,451,791.71

LIABILITIES

Capital	$ 4,000,000.00	
Surplus	8,000,000.00	$ 15,288,352.76
Undivided Profits	3,288,352.76	
Interest, Taxes and Other Expenses Accrued and Unpaid		481,006.36
Dividend Payable April 2, 1945		80,000.00
Deposits (Including U. S. Government Deposits $30,895,543.56)		255,566,055.10
Unearned Discount		27,853.99
Other Liabilities		8,523.50
		$271,451,791.71



Member of Federal Deposit Insurance Corporation

Bank Pension Plans

THE number of banks having retirement pension plans has increased notably in the last few years. Because of the increasing interest in such plans among banks, and because of the wide variety of plans in use, the American Bankers Association decided to undertake a study of plans now in operation. The results of the study, which is being directed by Edgar E. Mountjoy, will enable the A.B.A. to give valuable information and advice to banks wishing to establish pension plans. Mr. Mountjoy, deputy manager of the A.B.A. is conducting the study because of his long-continued interest in and knowledge of the subject.

The provisions of pension plans now in effect vary in many respects, though they are generally uniform as to retirement age: 65 years for men and 65 or 60 years for women. In case the employee dies before reaching retirement age the plan usually provides that the funds accumulated to his credit be paid to his survivors. If employment is terminated, other than by death, before the employee reaches retirement age, sometimes he has the option of (1) receiving in cash his total contributions, or (2) permitting his contributions to remain in the fund, and receiving at retirement age the pension provided by the amount paid up to the date he withdrew, or (3) in some instances, taking over the annuity contract, if held by an insurance company, and continuing payments as an individual.

Generally a pension plan is contributory for both the employee and employer, who combine to build up a fund for the payment of pensions when the employee reaches retirement age. However, the employer may bear the entire cost. When both contribute, the employee's contributions are a modest percentage of his salary and the employer's contribution may be the same amount or more. Generally the pension is predicated upon the number of years the employee has been with the bank and the salary he has earned. Thus the retirement income received is commensurate with his previous earnings and his standard of living.

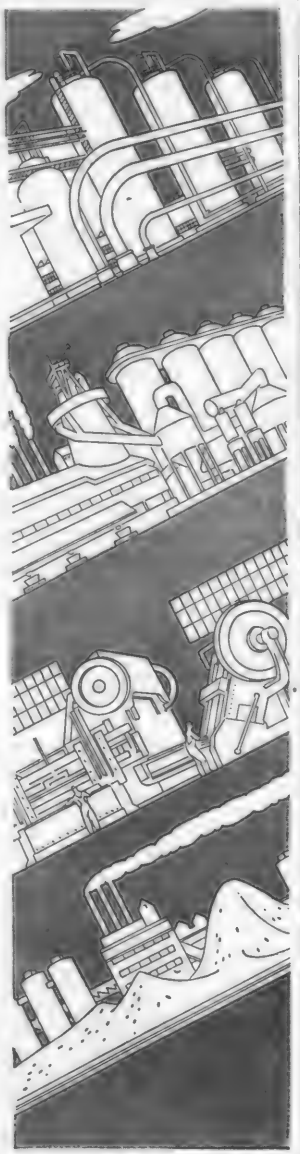
THE net cost to the bank will be reduced by the provisions of the Federal Revenue Act which permit an employer to deduct as business expense certain funds set aside to build up a pension plan for its officers and employees.

In order to take advantage of this tax saving the plan adopted must be approved under Treasury Department regulations. One requirement, for instance, is that "the contributions or benefits provided under the plan do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees."

The amounts collected are used to finance the plan in one of several ways. Frequently the money is paid to an insurance company which underwrites the plan under a group annuity contract or a series of individual annuity contracts based on the lives of the participants. Or a pension trust may be set up.

In some states the bankers associations have offered their members participation in pension plans. Some of them have taken the form of group contracts with insurance companies, while others are trusteed.

What's Back of Industrial Strength?



Those who profit by a close connection in banking matters are familiar with this fact, that:

Seventy-five per cent of this country's manufacturing output — our strength — comes from the region of which Cleveland is a natural center. Back of this is the essential finance bulwark, contributed to in no small extent by this bank with its 55 years of experience.

If you would add to your efficiency, and are strengthening your resources in today's progressive movements, it may stand you in good stead to establish a connection with us.



CENTRAL NATIONAL BANK
of Cleveland

CLEVELAND, OHIO • MEMBER FDIC

Now You Can Process *Your Own* Microfilm Records...

with the HOUSTON MODEL 11 Film Processor



• Banks and financial institutions have streamlined their business procedure by the use of microfilm. They have adapted photographic check copying, single posting, transit and other banking operations to meet varying conditions and requirements, with a consequent increase in accuracy and speed, and a lowered operating cost.

Houston's New Model 11 Film Processor brings a marked advancement to microfilming. Now, the entire processing job can be done *on the spot* with minimum delay, and maximum efficiency and privacy.

Houston's New Model 11 Processor provides a fully automatic means for processing 16 mm. negative, positive and reversal film. It is the modern complement to cinefilm recorders and cameras and offers these distinct advantages:

1. ***Film never leaves the premises.***
2. ***Complete privacy of subject matter.***
3. ***No delays in deliveries.***
4. ***No "Service Station" charges.***
5. ***Processing when and as you need it.***

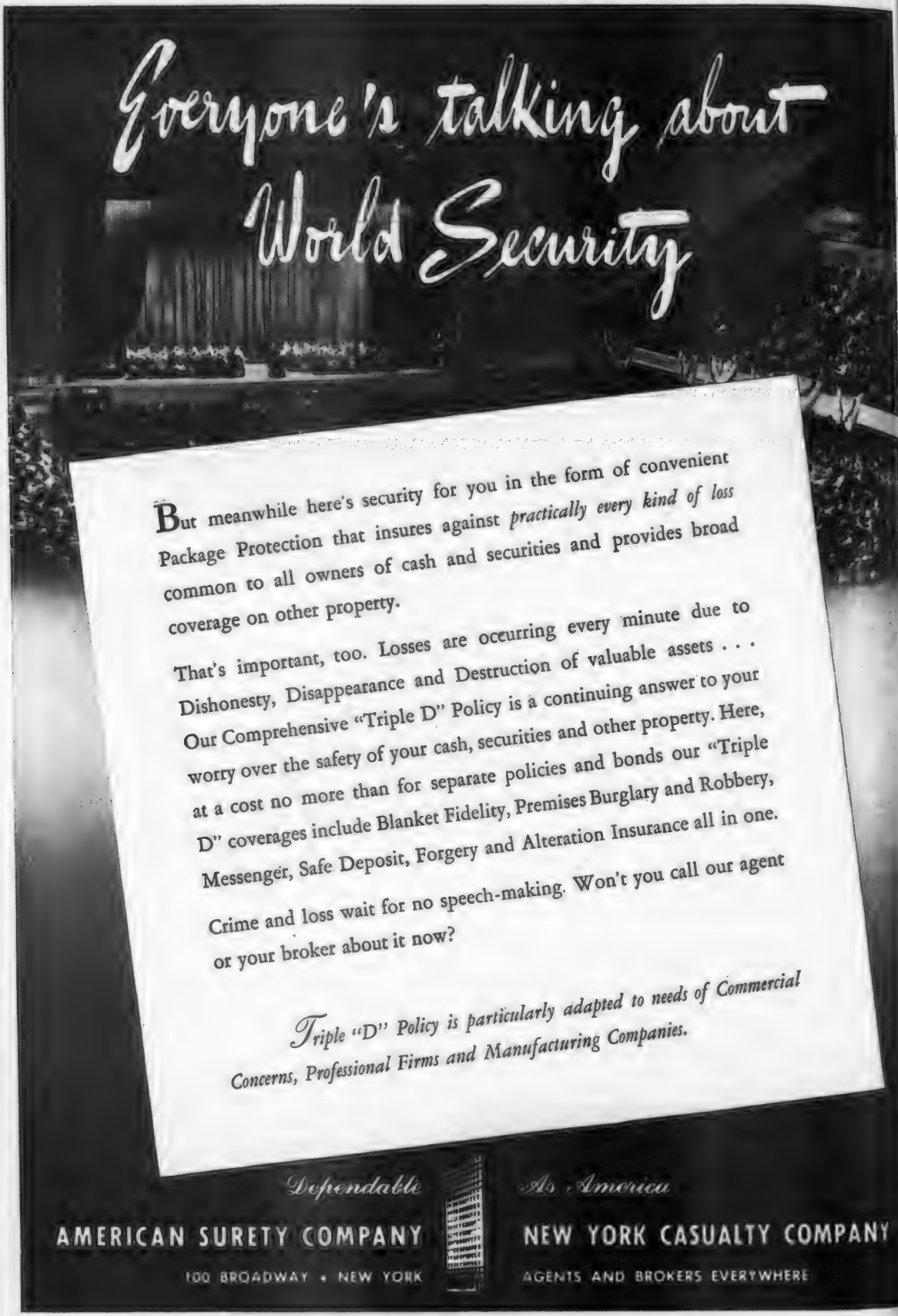
Houston's New Model 11 Film Processor will be welcomed by banking institutions using microfilm as a necessary adjunct to their business.

Houston's New Model 11 Film Processor is a complete, self-contained, portable unit requiring no extra equipment. Dimensions: 64″ long, 54″ high, 24″ wide. Processing speeds up to 20 feet per min. *Write today for completely illustrated folder and prices.*

Houston

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Everyone's talking about
World Security
But meanwhile here's security for you in the form of convenient Package Protection that insures against *practically every kind of loss* common to all owners of cash and securities and provides broad coverage on other property.
That's important, too. Losses are occurring every minute due to Dishonesty, Disappearance and Destruction of valuable assets . . . Our Comprehensive "Triple D" Policy is a continuing answer to your worry over the safety of your cash, securities and other property. Here, at a cost no more than for separate policies and bonds our "Triple D" coverages include Blanket Fidelity, Premises Burglary and Robbery, Messenger, Safe Deposit, Forgery and Alteration Insurance all in one.
Crime and loss wait for no speech-making. Won't you call our agent or your broker about it now?
Triple "D" Policy is particularly adapted to needs of Commercial Concerns, Professional Firms and Manufacturing Companies.
Dependable
AMERICAN SURETY COMPANY
100 BROADWAY • NEW YORK
As America
NEW YORK CASUALTY COMPANY
AGENTS AND BROKERS EVERYWHERE

Heard Along Main Street

Dean of Granite State's Bankers

FROM a clerkship in a Pittsfield, New Hampshire, country store to the presidency of a $6,000,000 banking institution is the success story of JOSIAH EASTMAN FERNALD, dean of the Granite State's banking fraternity, who recently celebrated his 70th anniversary with the National State Capital Bank of Concord, New Hampshire.

There were no typewriters in 1875, and all bank records were written by pen, so good penmanship was a "must" to budding financiers. Mr. FERNALD's artistry with a pen came to the attention of the bank president during one of his periodic transactions with the firm on behalf of the Pittsfield general store where he worked, and he was offered a job.

The National State Capital Bank of those early years was located in a wooden frame building on the site of the present bank.

No bank robberies, no holdups marred the placid serenity of Concord in those days. The only protection the bank had against such occurrences was a small rifle behind the counter. There were no burglar alarms, chemical warfare gas, or other modern crime-discouraging equipment.

"We had a good strong vault, though," Mr. FERNALD declares, although he admits it lacked a time lock. They hadn't been invented.

Mr. FERNALD's first job was that of messenger. After six years, he was promoted to cashier.

In 1875, and for several years after, there were few banks north of Concord. The National State Capital Bank did business as far north as Colebrook on the Canadian border.

Among Mr. FERNALD's choicest souvenirs of his early years is the paper money known as "national currency" which was issued by the bank. The bank placed security with the United States Treasury, and in return received sheets of national currency. The bank officials signed each bill with pen and cut up the sheets to put the money into circulation.

Today, as 70 years ago, he gets to work before the bank opens in the morning and gives all important matters his personal attention. Now nearly 89 years of age, he has never departed from a strict routine of regular personal living and has lived in the same modest house for more than 60 years.



Mr. Fernald

For many years he was closely associated with Mary Baker Eddy, the discoverer and founder of Christian Science, and he now is treasurer and trustee of her estate. Mr. FERNALD also is vice-president of the Loan and Trust Savings Bank; president of the New England Cable Company; treasurer of the Capital Fire Insurance Company; treasurer of the New Hampshire Centennial Home for the Aged; a director of the Concord Electric Company and of several other corporations. Through the years he has been actively associated with a number of other New England enterprises.—ENOCH SHENTON



At the formal opening of the Bank of Guam, Major General Henry L. Larsen, Island Commander, *left*, presents the key to Lieutenant Commander W. B. Willard, USNR, manager and cashier. Commander Willard is on leave as vice-president of the National Savings and Trust Company, Washington, D. C.

Bank of Guam Reopened

Lieutenant Commander W. B. WILLARD, former vice-president of the National Savings and Trust Company, Washington, D. C., recently became manager and cashier of the Bank of Guam, reopened at Anaga, and believed to be the only bank in the world housed in a Quonset hut.

The Bank of Guam was closed by the Japanese occupation forces in December 1941 and the building was destroyed when the United States forces recaptured this Pacific outpost. The vault containing the bank's records was saved, however.

The bank, reopened by the naval government on the island, provides savings accounts for military personnel and natives and checking accounts for civilians and military organizations.



The reopened Bank of Guam, housed in a Quonset hut, started off with a rush of business from officers, enlisted men and civilians opening savings and checking accounts. The Bank of Samoa and the Bank of Guam are the only two such establishments operated by the U. S. Navy

OFFICIAL U. S. MARINE CORPS PHOTOS

Banker's Daughter

Anyone familiar with the smiling face of St. Louis' Tom Smith, the spearhead



Jane Howard Smith

of the A.B.A. War Bond drive, will recognize instantly that the young lady above is Tom Smith's daughter. When this picture was taken she was staff secretary of the American Red Cross warehouse on Guadalcanal. She has since been moved to the Ninth Base Hospital, A. P. O. 331, San Francisco, which means that she probably is on one of the island posts of our fast-moving Pacific forces. She graduated from Bryn Mawr in 1943 and later took a secretarial course to qualify for her work overseas.

Citations to Bankers

Lieutenant GEORGE C. DEAN, a former teller at the Garden City (N. Y.) Bank and Trust Company, and now attached to the U. S. Army Air Corps in the Philippines, has been awarded the Soldier's Medal for "heroism at Canton Island in May 1944."

The citation accompanying the medal states: "On the takeoff of a C-87, a tire of the plane blew out, forcing the craft into a revertment, where it began to burn. First to emerge from the plane, Lieutenant DEAN, at the risk of his life, reentered the burning craft and saved another crew member. In the performance of this heroic act he sustained severe burns on face, neck and hands."

In addition to the Soldiers' Medal, Lieutenant DEAN has received the Distinguished Flying Cross, the Air Medal, and is now leader of his squadron. His crew has rolled up an impressive score—one cruiser damaged, three destroyers sunk, three destroyers damaged, 14 Jap planes destroyed in the air and over 40 on the ground, more than 60,000 tons of merchant shipping sunk, and some 30,000 Jap troops disposed of.



Lt. Dean



Sgt. Reynolds

Sergeant ROBERT E. REYNOLDS, a former elevator operator with The National City Bank of New York, has been awarded the Bronze Star Medal for his part in the battle for Metz while serving with the 95th Infantry Division. The citation states "the service of Sergeant REYNOLDS was distinguished by unusual efficiency, exemplary initiative and steadfast devotion to duty." The citation further states that the sergeant's "outstanding service during this time contributed materially to the Division's success, and reflects distinct credit upon himself."

Chase National Bank of New York men who have recently been decorated for valor:

Captain JOHN F. CONNELL received with the Bronze Star a citation signed by Lieutenant General Courtney H. Hodges, for his work in the invasion of the Normandy coast, which reads:

"For meritorious service as executive officer. . . . Faced with meager data and a decided lack of trained personnel, Captain CONNELL used great initiative and foresight in completing plans for port operations in the assault on the

(CONTINUED ON PAGE 98)

A USEFUL HANDBOOK OF INFORMATION

ON U. S. GOVERNMENT SECURITIES

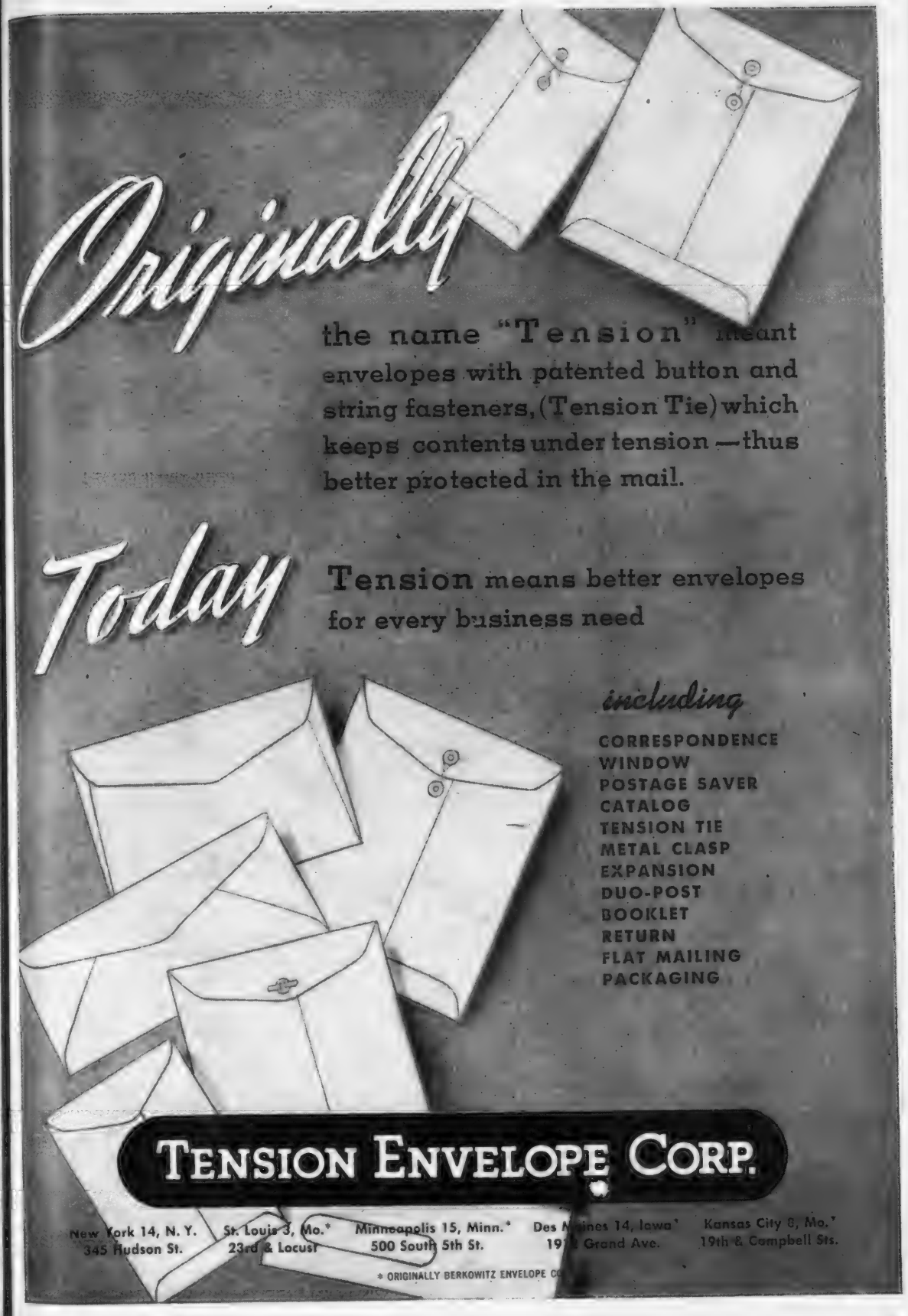


OF worthwhile help to banks interested in U. S. Government Securities is this new Northern Trust Company booklet containing charts, tables and information usually sought by those interested in such securities. Write for your copy.

BOND DEPARTMENT

THE NORTHERN TRUST COMPANY

CHICAGO 90, ILLINOIS


Originally
the name "Tension" meant envelopes with patented button and string fasteners, (Tension Tie) which keeps contents under tension—thus better protected in the mail.
Today
Tension means better envelopes for every business need
including
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POSTAGE SAVER
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Des Moines 14, Iowa* 19[illegible] Grand Ave.
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* ORIGINALLY BERKOWITZ ENVELOPE CO

coast of France. He acquired reference material from scattered sources and made a precise and detailed analysis of the information at his disposal. His plan, which included methods of loading ships on the near shore, types of ships to be used, berthing, and discharge of the vessels, proved to be without flaw when the landing was made. The successful operation which followed was due in part to Captain CONNELL's ingenuity, devotion to duty, and sound military judgment."



Capt. Connell



Cpl. Dean

Corporal RICHARD F. DEAN, a technician, fifth grade, in a field artillery battalion of the 95th Division, Third Army, was awarded the Bronze Star. Accompanying the award was the following citation:

"As radio operator with the forward observer section. . . . Technician Fifth Grade RICHARD F. DEAN worked diligently and efficiently throughout the entire campaign against Metz, in France. At all times he labored tirelessly to keep in close radio and wire communication with firing teams. T/5 DEAN's unselfish devotion to duty and high professional skill reflect great credit on him and are in keeping with the highest traditions of military service."

Captain FREDERICK G. MILLER, recently promoted from lieutenant and now serving with the 35th Division of

(CONTINUED ON PAGE 101)

Technical Sergeant Daniel E. Kelly of the Chase National Bank of New York, *second from right, front row*, participated in 30 hazardous missions in a B-24 bomber over enemy territory with the U. S. Eighth Air Force based in England before returning to the States for a well-earned rest. The Sergeant's exploits won for him the Distinguished Flying Cross and the Air Medal with three Oak Leaf Clusters



H&W
EST. 1888

CHECK YOUR NEW CAPITAL NEEDS!

To many industries, conversion for peace means the fast liquidation of one kind of business and the immediate organization of another. Yet some industrialists have not yet faced the possibility that they may need new capital in the very near future.

If you have not looked over your position with a view to finding out whether you will need new money after the war, you should do so now.

Never have times been better for corporations to issue bonds, preferred and common stocks . . . never has money been so cheap and prospects for wide distribution so good.

Whatever the job ahead . . . reconversion, reorganization, new products or new markets . . . our Underwriting Department is ready to serve you. We invite you to inquire . . . in confidence and without obligation . . . of a Partner at the nearest Hornblower & Weeks office.

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Since 1888—Financial Service Adapted to Your Requirements

Offices:
New York; Boston; Chicago; Cleveland; Philadelphia; Detroit; Portland, Me.; Providence; Baltimore; Bangor.

BANKS NOW USING *ThriftiCheck*

Tell Us Why This Favorite Pay-As-You-Go Plan Attracts New Customers

OUR CLIENT BANKS refer constantly to special ThriftiCheck advantages that arouse the enthusiasm of new depositors.

This enthusiasm is heartfelt and genuine; and these banks have had convincing proof that new customers lose no time in recommending ThriftiCheck to others. And everyone knows that such customer recommendation **lowers the acquisition cost** of new accounts.

•

One ThriftiCheck feature invariably delights new depositors, because it comes as a complete surprise. At the end of the few minutes required to open his account, the depositor is presented right on the spot with his book of ThriftiChecks, his **name printed on each!** In the next moment he can write his first personalized check.

Obviously this striking example of modern speed and efficiency makes an indelible impression that is immediately passed along to the depositor's friends. Human nature is like that.

•

This advantageous service is made possible through ThriftiCheck, and the efficient, economical check-printing equipment manufactured exclusively for us. It enables our banks to deliver imprinted checks at once, and avoid the delays that are vexatious to the depositor. **It is one of seven ThriftiCheck advantages that attract and hold new customers.**

ThriftiCheck advantages to the bank itself are equally clear cut. Notably, these are **lower account mortality by screening out undesirable accounts through prepayment for checkbooks, and sharp reductions in operating cost.**

We would like to have the opportunity of presenting to your bank complete details of the ThriftiCheck plan. *Write:*

BANKERS DEVELOPMENT CORPORATION

31 Nassau Street, New York 5, N.Y.

Telephone REctor 2-7580



THE NEW YORK TRUST COMPANY

100 BROADWAY

MADISON AVENUE AND 40TH ST. TEN ROCKEFELLER PLAZA

CONDENSED STATEMENT OF CONDITION MARCH 31, 1945

ASSETS

Cash and Due from Banks	$135,913,425.67
United States Government Obligations	427,911,583.01
Other Bonds and Securities	21,967,928.82
Loans and Discounts	185,406,736.74
Real Estate Bonds and Mortgages	1,152,185.30
Equities in Real Estate	60,009.61
Customers' Liability for Acceptances	406,432.43
Interest Receivable and Other Assets	2,317,227.65
	$775,135,529.23

LIABILITIES

Capital	$15,000,000.00	
Surplus	30,000,000.00	
Undivided Profits	8,842,674.62	$53,842,674.62
General Reserve		6,063,282.45
Dividend Payable April 2, 1945		525,000.00
Acceptances		537,155.50
Reserve for Taxes and Other Liabilities		4,567,721.00
Deposits		709,599,695.66
		$775,135,529.23

United States Government obligations carried at $127,889,297.94 in the above statement are pledged to secure United States Government deposits of $106,574,559.54 and other public and trust deposits and for other purposes required by law.

TRUSTEES

MALCOLM P. ALDRICH
New York

GRAHAM H. ANTHONY
Pres., Colt's Patent Fire Arms Mfg. Co.

ARTHUR A. BALLANTINE
Root, Clark, Buckner & Ballantine

JOHN E. BIERWIRTH
President

ALFRED A. COOK
Cook, Lehman, Goldmark & Loeb

WILLIAM F. CUTLER
Vice-President
American Brake Shoe Company

RALPH S. DAMON
Vice-President & General Manager
American Airlines, Inc.

FRANCIS B. DAVIS, JR.
Chairman of the Board
United States Rubber Company

SAMUEL H. FISHER
Litchfield, Conn.

WILLIAM HALE HARKNESS
New York

HORACE HAVEMEYER, JR.
Executive Vice-President
The National Sugar Refining Company

B. BREWSTER JENNINGS
President, Socony-Vacuum Oil Co., Inc.

HOWARD W. MAXWELL
New York

HARRY T. PETERS
New York

SETON PORTER
President, National Distillers Products Corporation

ROBERT C. REAM
President, American Re-Insurance Company

MORRIS SAYRE
President, Corn Products Refining Company

VANDERBILT WEBB
New York

Member of Federal Deposit Insurance Corporation

HOW CAN BANKERS AVOID Multiple Costs?



Old National Bank, Evansville, Indiana
As it will appear when completed as conditions permit.

By insisting—when negotiating new quarters—upon a single contract which includes design, construction, equipment, fixtures, decorating, *everything* . . . at a cost GUARANTEED IN ADVANCE. Our Single Contract eliminates the need of employing architects, engineers, general contractors, sub-contractors, equipment companies, etc., under *separate* contracts. Our Contract covers everything, foregoes any division of responsibility or lack of coordination—both of which frequently spell multiple costs. In short, we assume full responsibility, from the first preliminary plans to the final fitting of the last lock and key . . . at a price determined in advance . . . a price we *guarantee* not to exceed.

Bank Building and Equipment Corporation
OF AMERIC
NINTH AND SIDNEY STREETS • ST. LOUIS 4, MO., U. S.

General Patton's Third Army, was awarded the Bronze Star for "heroic service against the enemy." The citation reads:

"When enemy infiltration had cut off his battalion from litter squads and needed supplies, Lieutenant MILLER, battalion S-3, voluntarily and alone set out to reach the supply point. Forging his way through enemy patrols, and constantly endangered by German small arms fire and ambush, he continued to his destination and then personally conducted a group carrying the necessary supplies back to the battalion across the same perilous route. Lieutenant MILLER'S outstanding success on this hazardous mission enabled his unit to beat off an enemy attack, and reflects credit upon his character and as an officer."



Have You Heard?

ALFRED G. TRIMBERGER has been made cashier of the Marshall & Ilsley Bank of Milwaukee, succeeding the late John E. Jones.

Lieutenant Colonel JAY COOKE has been elected a director of The Philadelphia National Bank. He recently returned to the United States from active combat duty with the 110th Infantry, 28th Division. He was severely wounded in action. Colonel COOKE is a great grandson of Jay Cooke, Civil War financier.

Promotions at the Fulton National Bank of Atlanta, Georgia, include the election of ERLE COCKE, formerly executive vice-president, president to succeed F. W. BLALOCK, who was elected vice-chairman of the board of directors. W. V. CROWLEY was elected to the newly created office of first vice-president; and HENRY B. KENNEDY was

Mr. Cocke



Mr. Blalock



Ready— with

facilities, facts, contacts

The First Wisconsin is at your service in Wisconsin with complete, modern facilities . . . with on-the-ground knowledge of Wisconsin business, industry, agriculture . . . plus correspondent contacts with over 85% of all the banks throughout this state. At your service — and always ready to serve in many ways that go beyond the usual limits of mere routine efficiency.

BANKS AND BANKERS DIVISION

GEORGE T. CAMPBELL - - *Vice-President*
RICHARD J. LAWLESS - *Asst. Vice-President*
DONALD A. HARPER - *Asst. Vice-President*



FIRST WISCONSIN NATIONAL BANK
OF MILWAUKEE • *Wisconsin's Bank for Banks*
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Mr. Crowley



Mr. Schmidt

Job relations institutes for instructors under the auspices of the American Institute of Banking have been held in nine cities since the beginning of the year. At the Seattle institute, *right, l. to r.*, Will Chance, Seattle; Steve McClain and C. H. Labbe, Portland; V. A. Carlstrom, Tacoma; Robert C. Rutherford, instructor from national office, A.I.B., New York; E. J. Enright, Tacoma; Charles Hepner, Portland; John Ryder and John C. Laughlin, Jr., Seattle; and S. O. Washburn, Tacoma



named executive vice-president. C. M. FLOYD, formerly cashier, was elected vice-president; FRANK E. TAYLOR, JR., ROBERT S. PRINGLE, and GARNETT A. CARTER, formerly assistant cashiers, were elected assistant vice-presidents; T. F. BUTLER, formerly assistant cashier, was elected cashier; WILLIAM F. TALLEY, JAMES M. SHEPHERD, and HELEN THOMPSON were elected assistant cashiers. Mr. BLALOCK's new position will allow him time to exert a more active interest in the outside manufacturing business in which he has an interest.

GEORGE H. SCHMIDT, associated with the First National Trust and Savings Bank of San Diego since 1926 and its executive vice-president since 1937, has been elected president of the bank, succeeding F. J. BELCHER, JR., who was elected chairman of the bank's board of directors.

JOHN D. HECKMAN, associated with the City Bank and Trust Company of Reading, Pennsylvania, for several years as assistant treasurer, treasurer and later as vice-president and treasurer, has been elected president of the bank, succeeding JOHN J. BEAVER.

Election of J. T. BOWMAN, 70 years a banker, as president of the Union Trust Company of Shelby, North Carolina, was reported by the Associated Press. Mr. BOWMAN, 91 years old, was a student at Washington College (now Washington and Lee) when Robert E. Lee was its president.

Lieutenant Colonel WILLIAM H. WILLIAMS, former employee of the First National Bank of Minneapolis and who

(CONTINUED ON PAGE 104)



CONDENSED STATEMENT

FIRST NATIONAL BANK

IN ST. LOUIS

At the Close of Business, March 20, 1945

RESOURCES

Cash and Due from Banks		$106,591,008.85
U. S. Government Securities		243,941,858.98
Loans and Discounts		83,983,475.06
Other Bonds and Stocks		5,576,650.83
Stock in Federal Reserve Bank		501,000.00
Banking House, Improvements, Furniture and Fixtures		388,951.85
Other Real Estate Owned		1,067,005.00
Customers' Liability a/c Letters of Credit, Acceptances, etc.		1,056,366.20
Accrued Interest Receivable		939,351.64
Overdrafts		3,045.27
Other Resources		3,287.10
		$444,052,000.78

LIABILITIES

Capital Stock		$ 10,200,000.00
Surplus		6,500,000.00
Undivided Profits		7,177,186.50
Reserve for Contingencies		500,000.00
Reserve for Taxes, Interest, etc.		1,339,066.49
Unearned Discount		94,015.41
Liability a/c Letters of Credit, Acceptances, etc.		1,079,107.96
Other Liabilities		166,409.14
Individual Deposits	$223,248,506.48	
Savings Deposits	44,487,708.25	
Bank Deposits	107,107,991.29	
U. S. Government Deposits	38,263,167.49	
City of St. Louis and Other Public Funds	3,888,841.77	
Total Deposits		416,996,215.28
		$444,052,000.78

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

C. T. Greer, executive vice-president and cashier of The Morris Plan Bank of Georgia, *center*, was honored on the 25th anniversary of his connection with the Atlanta bank and presented with a silver punchbowl and diamond-studded five-star service pin by officers and employees. Joseph E. Birnie, president, *right*, and George Winship, director, made the presentation



Double the Appeal of Glass in your Postwar Houses



1. *Daylight* ENGINEERING FOR BETTER LIGHT

2. *Thermopane* FOR COMFORT

Picture Windows are widely accepted as a feature of extra value in new homes—a feature that marks a house as up-to-date. Big windows add interest, help maintain re-sale value.

Now you can provide all the beauty and better light provided by large windows, *plus* comfort and heat savings—with Thermopane, the windowpane that insulates. It helps keep rooms warmer in winter, cooler in summer and tends to shut out street noises as well.

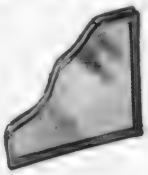
The benefits of Thermopane are described briefly at the right. For full information on the sizes, thicknesses and types of glass with which it can be made, write for our new Thermopane book. Libbey·Owens·Ford Glass Co., 1755 Nicholas Building, Toledo 3, Ohio.

Thermopane **... the windowpane that insulates**

Makes big windows practical in any climate

Thermopane provides effective insulation because a layer of dehydrated air is sealed hermetically between its two panes of glass. Thanks to the patented Bondermetic Seal, used to prevent dirt and moisture infiltration, there are only two glass surfaces to clean.

This double-glass windowpane fits into a modified sash, just like a single pane of regular glass... stays in all year. It's the modern, practical way to provide the benefits of bigger windows, with assurance of winter comfort and heating economy.





LIBBEY·OWENS·FORD

a Great Name in **GLASS**

recently returned to the bank after four years of military service, has been elected an assistant cashier.

Promotions made recently by the Mississippi Valley Trust Company, St. Louis, included the elevation of CHARLES HERMAN from assistant counsel to counsel, replacing A. HOLT ROUNDEBUSH, retired, and the advancement of O. WAYNE FOSHER, M. C. HOOK, JR., and A. W. HUEY to assistant vice-presidents. W. J. BRAMMAN and FORD HARDIN, executive vice-presidents of the bank, were elected to the board of directors.

ALEXANDER C. NAGLE has been made president and chief executive officer of the First National Bank of New York, succeeding the late LEON FRASER. Mr. NAGLE, with the bank for 38 years, had been vice-president since 1928. SAMUEL A. WELDON, formerly senior vice-president, was made chairman of the board, a post vacant since retirement of JACKSON E. REYNOLDS several years ago.

ROBERT M. HANES, president of the Wachovia Bank & Trust Company, Winston-Salem, North Carolina, and former president of the American Bankers Association, is the new president of the Association of Reserve City Bankers. He succeeds ROBERT V. FLEMING, president of Riggs National Bank, Washington, also a former A.B.A. head.

WILLIAM F. KRIEBEL, vice-president and treasurer, The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, was elected vice-president, succeeding WALTER KASTEN, president, First Wisconsin National Bank, Milwaukee.

New directors are: TAYLOR S. ABERNATHY, vice-president, First National Bank, Kansas City, Missouri; JOHN W. NICHOLS, vice-president, Continental Illinois National Bank & Trust Company, Chicago; DONALD F. VALLEY, vice-president, National Bank of Detroit, and MENEFEE WIRGMAN, president, Citizens Fidelity Bank and Trust Company, Louisville.



At the San Francisco Job Relations institute conducted recently by Robert C. Rutherford, of the national office of the American Institute of Banking, New York—*l. to r.*, Mr. Rutherford, Walter R. Johnson of Oakland, Rex D. Hollenbeck, Fred Engelbrecht, F. E. Whitmer, T. W. Barrett, Merritt Sherman and Ray Scott, all of San Francisco

Mr. Hanes



MAGNET

Westward, an irresistible force is pulling people, money, industry—to share in West Coast destiny. Pacific ports today pouring out war materiel will handle much of a hemisphere's commerce tomorrow. Rising production, trade, population, payrolls are no novelty here . . . growth has been steady, continuous. Western land, resources, life—attract magnetically.

As your business looks westward, we invite your use of the facilities of Anglo Bank. Especially well-located for your needs, "Central to the West Coast," our San Francisco head office and our network of branches, with 72 years of experience, and our connections coastwide and abroad are at your service.

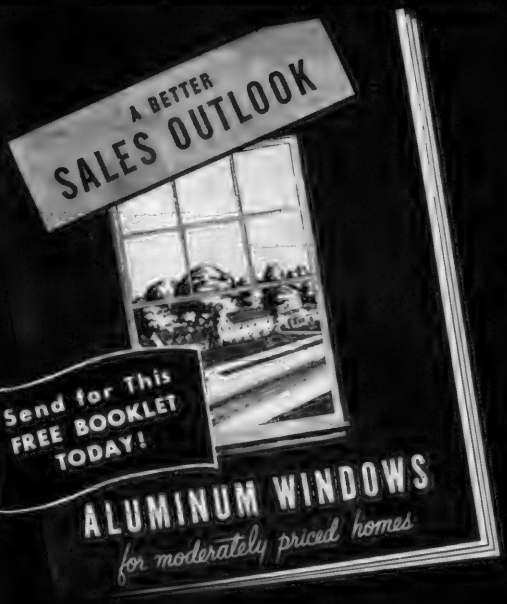
ANGLO CALIFORNIA NATIONAL BANK

HEAD OFFICE: 1 Sansome Street San Francisco 20, California

Branch offices: San Francisco, Oakland, Chico, Berkeley, San Jose, Hanford, Lemoore, Red Bluff, Redding, Modesto, Bakersfield

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Have you heard the news?



ALUMINUM WINDOWS

will soon be available*

FOR LOW-COST HOMES





*Upon the lifting of Government restrictions on residential building, a complete line of these modern aluminum windows in stock sizes—9 double hung and 8 casement—will be warehoused and distributed nationally by your regular suppliers.

REAL ESTATE OFFICERS! MORTGAGE OFFICERS!

Bankers interested in real estate mortgages have long recognized the importance of installing windows that will not rot or rust—windows that never require painting—windows that give trouble-free service at all times—windows that protect their equity for the entire life of the building. That's why they have long considered aluminum windows as ideal.

In pre-war times the use of aluminum windows was limited because of their high cost. Now, however, thanks to reduced costs of materials and newly-developed production techniques, a complete line of aluminum windows will be ready in stock sizes for residential uses.

Their name will be "ALWINTITE" Aluminum Windows. They'll be fine quality, aluminum windows of excellent design and superior workmanship—and most important—they'll cost no more than you'd expect to pay for any good window.

Get the full story on ALWINTITE aluminum windows today. Write for a copy of our new descriptive booklet, "A Better Sales Outlook."

THE ALUMINUM WINDOW CORPORATION

Subsidiary of General Bronze Corporation

34-27 Tenth Street **Long Island City 1, N. Y.**

SHOULD HIGHWAY USERS *Pay Interest* ON THEIR OWN TAXES?



Plausible—but deceiving—are the statements which charge that motor transport is subsidized because our roads and streets do not make a profit. . . . Those who persistently use these arguments say that highways are "public utilities", just like gas and electric companies and should pay dividends. They say automobiles and trucks should be taxed still more to produce that profit. But . . .

One of the most comprehensive and thorough government studies ever undertaken definitely exploded this so-called "public utility theory." The report, entitled "Public Aids to Transportation," was prepared under the direction of the late Joseph B. Eastman, Chairman of the Interstate Commerce Commission and previously Federal Coordinator of Transportation.

Calling attention to the fact that highways have been built and maintained through investment of the taxpayers' money, he stated that any additional charges would . . . **"result in substantially a form of double taxation—(1) for the provision of the facilities and (2) for the privilege of using them."**

Grover C. Dillman, President, the Michigan College of Mining and Technology, former Chief Engineer and Commissioner of the Michigan State Highway Department, collaborating with other well-known economists and engineers, emphasized Eastman's findings in the so-called Dillman Report, stating:

"Highways were not built as a profit-making enterprise. The State does not attempt to make money out of its highway system. Highways are not designed to provide the State with revenue as investments. The highways are an example . . . of action by the people . . . to provide themselves with transportation facilities at a minimum cost.

"A second difference between the usual public utility and the highway system is that the capital invested in a privately owned utility is furnished by investors, while the capital invested in the highway system is provided by the people themselves through a system of taxation. *The highways really become the people's highways with the people's money invested in them.*"

Highways, like public libraries, render a service to society. They are not for profit.

Eastman's masterful 7-year study allocated a fair charge for the use of the highways against all vehicles, according to their characteristics. Eastman also took into consideration the social benefits of each type of road or street. He charged against the public such benefits as fire, police, mail and all other uses, necessary even without motor traffic.

This scientific government report definitely states that motor vehicle *users* have paid more than their share of highway costs since 1927. **The passenger car owner pays $2 a year more than his share. Interstate buses pay $249 excess, and the truck-trailers which carry the bulk of our interstate highway commerce pay $287 excess annually per vehicle.**

Eastman clearly showed that our modern interstate highways were paid for and are maintained by taxes on motor vehicles. Furthermore, he proved that these taxes contribute more than their fair share to city, town and village streets.

Eastman's unrefuted report completely explodes the "public utility theory" and disproves the charge that motor transport is subsidized with government money!

"The highways of all nations have been built primarily to facilitate the conduct of business . . ." Department of Engineering Research, University of Michigan, 1935.

World's Largest Builders of Truck-Trailers *Service in Principal Cities*

FRUEHAUF TRAILER COMPANY • DETROIT

Executive Council Elections

METHODS of electing A.B.A. executive councilmen, state vice-presidents of divisions, and members of the Nominating Committee and alternates this year when there are to be no state association conventions, were drafted at the New York meeting of the Association's Administrative Committee. The Committee adopted this resolution:

"WHEREAS, executive councilmen, state vice-presidents of divisions and members of the Nominating Committee and alternates are normally elected by the members of the American Bankers Association attending the annual conventions of the state bankers associations of the various states and the District of Columbia; and

"WHEREAS, in compliance with the request of the Office of War Mobilization and Reconversion, the state bankers associations do not intend to hold annual conventions this year, but some of them will hold meetings of their executive council or administrative committee in lieu of conventions and some of them will elect their officers by mail vote; and

"WHEREAS, the existence of the present emergency was not contemplated when the constitution and by-laws of the Association were adopted and, in the opinion of this Committee, there is a more appropriate method of electing these officers than that provided in the by-laws which is within the spirit of the constitution and by-laws;

"NOW, THEREFORE, BE IT RESOLVED, that the members of the Executive Council from the various states and the District of Columbia, the state vice-presidents of divisions and the members of the Nominating Committee and alternates shall be elected in the following manner this year:

"(1) If the executive council or administrative committee of any state bankers association holds a meeting prior to the next meeting of the Executive Council of this Association, the state vice-president in that state shall call a meeting of the members of the Association attending the state meeting for the purpose of electing members of the Executive Council and Nominating Committee and state vice-presidents of divisions. It is suggested that, in order to curtail the number of persons required to attend the Executive Council meeting, an executive councilman be elected a member of the Nominating Committee.

"(2) If no meeting of the executive council or administrative committee of the state bankers association is held, but the state bankers association elects its officers by mail ballot, the executive councilmen, state vice-presidents of divisions and member of the Nominating Committee and alternate shall likewise be elected by mail ballot.

"(3) In all other cases, the incumbent executive councilmen whose terms would expire in 1945 shall continue in office until December 31, 1945 and their successors shall be appointed by the state vice-president in accordance with the provisions of Article VII, Section 5 of the constitution; the incumbent member of the Nominating Committee or alternate shall act at the next meeting of the Executive Council held in lieu of a convention as provided in Article V of the constitution; and the vice presidents of the divisions shall be appointed by the presidents of the divisions as provided in the by-laws of the divisions; and

"RESOLVED, that the Secretary be and he hereby is directed to send copies of these preambles and resolutions to the secretaries of the state bankers associations of the various states and the District of Columbia and the various state vice presidents."

Out-of-Town Banks

Out-of-town banks and bankers will find here complete banking facilities for prompt and economical handling of accounts in Chicago. We would appreciate the opportunity of serving you.

CITY NATIONAL BANK
AND TRUST COMPANY *of Chicago*
208 SOUTH LASALLE STREET
{ Member Federal Deposit Insurance Corporation }

Complete, Capable, Courteous
—that's the kind of correspondent bank service you may expect from us

The NATIONAL BANK OF COMMERCE
Gulf Building — Houston
ALL BANKING AND TRUST SERVICES
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

STATEMENT OF CONDITION

At the Close of Business, March 20, 1945

RESOURCES

Loans and Discounts	$ 24,941,871.32
U. S. Government Securities	86,329,081.53
State, County and Municipal Securities	11,458,433.34
Stock in Federal Reserve Bank	225,000.00
Overdrafts	5,193.21
Bank Vault, Furniture and Fixtures	208,206.63
Customers Liability Account — Letters of Credit Issued	222,058.56
Cash and Due from Banks	45,439,694.99
	$168,829,539.58

LIABILITIES

Capital Stock — Common	$5,000,000.00	
Surplus and Undivided Profits	7,526,797.84	$ 12,526,797.84
Reserve for Taxes, Employees' Pension Account and Other Expenses		533,391.65
Liability Account — Letters of Credit Guaranteed		222,058.56
Deposits		155,547,291.53
		$168,829,539.58

THE FIRST NATIONAL BANK AND TRUST COMPANY of OKLAHOMA CITY

1ST Since 1889

Prenosil Heads New Section

A new Banking & Investment Section has been set up in the War Finance Division of the Treasury. It is charged with the responsibility of War Bond sales promotion with the nation's banks, investment firms, security dealers and savings & loan associations.

STANLEY W. PRENOSIL, who has been liaison man between the War Finance Division and the American Bankers Association, has been appointed director of the Banking & Investment Section. Mr. PRENOSIL came to the War Finance Division in May 1942 after several years in the investment banking business in New York. Prior to that time he was financial editor of the Associated Press for eight years.

Bank Certification of War Bonds Unnecessary

MANY banks are still certifying Series A, B, C, D and E War Savings Bonds, although this is unnecessary and only complicates the operation and increases its cost to them. The Treasury's regulations state that redemption agents are not required to complete the certification form. The regulations provide that:

> ". . . a bank will not be required in the case of any bond paid by it to complete the certification form at the end of the request for payment, nor determine the authenticity of any certification which may appear on the bond at the time it is presented for payment: *Provided, however*, that each bank submitting paid bonds shall be understood by such submission to have represented and certified that the identity of the owner requesting payment has been duly established to the satisfaction of the bank by one of its officers or by an employee duly authorized by the bank."



50 Years of Investigating . . .

"In the multitude of days there is wisdom." An honorable record of fifty years of investigating individuals and companies has made us "wise" and has filled our files with matter most valuable to our clientele.

BISHOP'S SERVICE, INC.
76 Beaver St., New York 5 Digby 4-6670

British Foreign Minister Eden gets a light from Secretary Stettinius at the Capitol. *Left*, Lord Halifax, the British Ambassador



"Your trip to India is arranged, Sir ... and here's your Foreign Travel Accident Policy!"



CHECK LIST . . . some "musts" before you go overseas

- √ Passport—up-to-date stamping, visas, etc.
- √ Priority—from Army or Navy.
- √ "Shots"—protecting you against various diseases.
- √ $50 U. S. cash only—the rest in travelers checks.
- √ Baggage—not over 50-55 lbs.
- √ FOREIGN TRAVEL ACCIDENT INSURANCE—ask your own Agent or Broker.

Thousands upon thousands of *American civilians*—businessmen, trouble-shooters, government officials, newsmen—are now traveling to every point on the globe.

If your business takes you overseas, check with your local insurance man on our new Foreign Travel Accident insurance. He'll show you how this timely policy can be adapted to almost any condition, anywhere, including acts of war and flight over enemy territory.



No, it's not expensive, either. Rates are surprisingly low, due to our confidence in the safety and convenience of today's aircraft. Whether you travel by commercial airline, Army ATC, Navy NATS planes, or by *any other* mode of transportation, this essential policy protects you throughout your entire trip.

After you set foot on foreign soil, Indemnity Insurance Company of North America's Foreign Travel Accident insurance protects just like other accident policies. Right now, before you go, get this insurance in any amounts you wish—up to $200,000. Just phone your insurance man and he'll do the rest.

1792 PROTECT WHAT YOU HAVE

INSURANCE COMPANY OF NORTH AMERICA COMPANIES. *Philadelphia*

Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the group of North America Companies which write practically all types of Fire, Marine, Automobile, Casualty and Accident insurance through your own Agent or Broker. North America Agents are listed in local Classified Telephone Directories.

INSURANCE COMPANY OF NORTH AMERICA • INDEMNITY INSURANCE COMPANY OF NORTH AMERICA • CENTRAL INSURANCE COMPANY OF BALTIMORE
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA • NATIONAL SECURITY INSURANCE COMPANY • PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY



"The World's Greatest Undeveloped Natural Resources"

. . . lie in the hollow of Kansas' hand. Here, in the opinion of our Nation's great economic experts, lies untold wealth in oil, minerals, agriculture, livestock. Wealth yet scarcely touched by human hand. To free these treasures for the enrichment of Kansas and the World — will take courage, foresight, and ingenuity based on the soundest of judgment and the firmest of faith. The Fourth National Bank in Wichita, urged forward by its vision and backed by its tremendous resources, is taking an increasingly important part in the development of this vast and latent wealth and also that of the commonwealth.

THE FOURTH NATIONAL BANK

IN WICHITA

Douglas at Market *Wichita 2, Kansas*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



A Good Farmer Needs A Good Banker

● Farmers today are enjoying a period of generally good prices for farm products ... and earning it by giving the country invaluable service in time of great need.

There will come a day when the margin between cost of production and selling price will narrow. Therefore, when you are called upon to assist the farmer in acquiring new machinery, consider the implement's ability to cut production costs ... do a better job with less labor, in quicker time, and for more years.

Massey-Harris farm machinery has always demonstrated such qualities. The new Self-Propelled Combine, the Forage Clipper, Power Plus Tractors, High-Speed Plows and other cost-cutting tools are helping solve the problem of farm labor shortage right now and substantially reducing production costs.

When you co-operate with your local Massey-Harris dealer in helping the farmers of your section acquire Massey-Harris equipment, you are helping to insure the future success of farming in your community.



7-Foot Self-Propelled Clipper



Power-Plus Tractors

MASSEY-HARRIS

Tractors, Combines, Farm Implements

GENERAL OFFICES: RACINE, WISCONSIN

FACTORIES: RACINE, WIS., BATAVIA, N Y.

The War Bonds With One Loop Too Many

(CONTINUED FROM PAGE 39)

The agents went to the sister's apartment. There sat the man they wanted: light-colored, thin as a rail, astonishingly tall, and dialing a little radio that fitted the description of the one stolen from the Preston home in Washington.

A search of the apartment disclosed three more of the stolen bonds, still properly made out to George Preston, and a series of new Selective Service cards made out to George Brestony.



"You can get an idea," the Secret Service agent who had started the search told Henry Rohmer, "of how these birds spend stolen money. In the apartment this Allerby—real name Smith—had 15 suits, six classy overcoats, eight topcoats, nine hats, seven pairs of expensive shoes; and much haberdashery."

"But how did he cash so many bonds?" Rohmer asked.

"Those other bank men must have been more careless than you were," the agent told him. "They just never noticed that extra loop that turned the 'P' into a 'B.' In one Chicago bank he opened an account under the name George Brestony and cashed $4,000 worth there. They thought he was a fine customer."

"Well, I'll be—," said Henry Rohmer. Only he didn't say it. He just swallowed hard.

We have often wondered what good these popular polls are when millions of Americans didn't even know who the vice-presidential candidates were in 1944.

Way back in the year 1831 Ebenezer Elliott defined a Communist as follows:

What is a Communist? One who hath yearnings
For equal division of unequal earnings.
Idler or bungler, or both, he is willing,
To fork out his copper and pocket your shilling.



"MARCHANT FOR ME because it's Always Ready!

When I start any calculating, I never have to 'prepare' any repeat key before I get under way. My Marchant is *always ready* for any kind of 'next problem', regardless of what it had been doing just previously!"



"MARCHANT for my boss because it brings 20 Points of Superiority including COMPLETE CAPACITY CARRY-OVER



No dials become inactive, even when carriage is extended to the extreme limit of travel. No bell... no resetting...all bothersome manipulations eliminated by dial carry-over to full capacity... no errors!"

Deliveries according to WPB schedule

MARCHANT

SILENT-SPEED ELECTRIC CALCULATORS

THIRTY-FIFTH YEAR

Marchant Calculating Machine Company

Home Office: Oakland 8, California, U. S. A.

SALES AGENCIES AND MANUFACTURER'S SERVICE STATIONS GIVE SERVICE EVERYWHERE

North of the Border

Among the records established in Canada in 1944 was one for the smallest number of business failures in history. Only 217 enterprises made assignments compared with 314 in 1943 and 1,392 in 1939, the last peacetime year. The peak in the inter-war period was reached in 1922 when failures aggregated 3,925. Liabilities in default also fell to a low point in 1944, the total of $3,101,435 being the smallest since statistics were first collected in 1923. The decline from 1943 was substantial; in that year defaulted liabilities aggregated $4,486,247 while in 1939 they amounted to $15,089,461. The high point was reached in 1925 with a total of $61,617,527.

The improvement in the record of commercial enterprises is attributed by the Dominion Bureau of Statistics to the prosperous condition of industry as a whole. Established firms have had no difficulty in selling their limited stocks. The resulting liquid position has contributed much to the low mortality rate of business. One other fact, however, must be taken into consideration. New ventures have been discouraged during the war by government restrictions.

In a recent address in Toronto, G. F. Towers, governor of the Bank of Canada and general chairman of the National War Finance Committee, declared that "Canada is in a strong and healthy position." He pointed out that the finances of the Dominion were even better than in 1939. Canada had maintained her sound position since the beginning of the war by paying off her foreign obligations as she expanded her internal debt through the sale of Victory Bonds, Mr. Towers added. In 1939, the Dominion had to pay 3¼ per cent of the national income to meet interest charges on governmental direct and guaranteed debt. This proportion was still only 3¼ per cent in 1944, although the government debt had increased to five times its pre-war amount, owing to the vast expansion of the national income which had taken place since 1939. "Through the success of our savings program and other wartime measures, Canada has been able to engage in a huge war effort and still preserve financial stability," Mr. Towers emphasized. (Canada has financed about 50 per cent of all war and non-war expenditures from taxes.)

The Eighth Victory Loan campaign (tenth war loan since 1939) opened on April 23 for a minimum amount of $1,350,000,000. The objective is $50 million higher than that of the previous drive when a record of $1,517 million was subscribed.

South of the Equator

Australia, with 7,797 banks, is one of the "homes" of branch banking. The total includes the agencies of the nine major trading banks spread in a financial carpet over the whole Commonwealth.

Trading banks in Australia are conducted by companies, savings banks by the federal and two of the six state governments. The Commonwealth Bank, which controls the note issue, has 282 offices, other banks and their agencies 2,450. Savings bank agencies number 4,700. Wartime manpower economy measures have resulted in temporary closing of 450 branches.

The Australian note issue just before World War II was £48,525,214 ($167,706,939). By the end of 1944 it had risen to £197,493,625 ($641,854,278). The influx of large numbers of Allied service personnel was main cause of the large increase.

The first bank (The Bank of New South Wales) was established in Australia in 1817.

Banking is a specialized career in Australia. The average entrance age of a bank officer is 16½, and normally he remains with the one trading bank and its agencies until he retires at 60–65. Women normally retire at 55–60.

Bank holdups are rare—not more than one or two in a decade.

Cecil Slocombe



In a sub-branch of the Union Bank of Australia, Melbourne

THE PHOENIX CONNECTICUT GROUP of Fire Insurance Companies

The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Co. Hartford, Conn.
1850

EQUITABLE
Fire & Marine Insurance Company
Providence, R.I.
1855

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina
THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas
GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.
MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.
RELIANCE INS. CO. OF CANADA
Montreal, Canada

★

HARTFORD
30 Trinity Street
CHICAGO
Insurance Exchange
NEW YORK
110 William Street
SAN FRANCISCO
220 Montgomery Street
MONTREAL
485 McGill Street

All Forms of Fire and Property Insurance including Ocean and Inland Marine

Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

"My Bank's Really on Its Toes!"

"I'm proud of the way my bank does business. Take for instance that plan they've got with the State Farm people for financing and insuring my postwar automobile. That means I can go to my bank, borrow money at a low interest rate, dicker with *cash* for my new car, and get State Farm's swell protection in the bargain. Yes, my bank's really on its toes."

With the public eager to buy cars when they are again available—and eager to borrow from YOU, Mr. Banker—why not start laying plans *now* to get your share of this profitable postwar business. Hundreds of local banks are already cooperating with State Farm.



STATE FARM INSURANCE COMPANIES

BLOOMINGTON, ILLINOIS

Pacific Coast Office: Berkeley, Calif.

Canadian Office: Toronto, Canada

To help you, State Farm has launched a nation-wide advertising campaign to tell America's car buyers, "See your local banker *before* you finance your next car." Already available for your use is a new plan book, "New Profit Opportunities For Banks," packed with thought-provoking information. It's yours without obligation. Just clip out and mail the coupon to State Farm Mutual, *world's largest auto insurance company.*

—CLIP NOW! . . . MAIL TODAY!—

State Farm Insurance Companies
Bloomington, Illinois

Gentlemen:
Will you please send us, without obligation, your FREE booklet, "New Profit Opportunities for Banks," explaining the State Farm Bank Plan, and including the results of your recent survey of your policyholders' postwar buying plans. B-55

Name .....

..... (Bank)

Address .....

City ..... Zone .... State .....

The A.B.A. War Loan Organization

HERE is the American Bankers Association's committees on war finance.

An article on bank participation in the coming War Loan drive appears on page 43

A.B.A. Committee on Treasury War Borrowing

W. Randolph Burgess, vice-chairman of board, The National City Bank of New York, chairman; Robert V. Fleming, president, The Riggs National Bank, Washington, D. C., vice-chairman; Harold Stonier, A.B.A. executive manager, New York; Lawrence M. Arnold, chairman of board, Seattle-First National Bank, Seattle; Edward E. Brown, chairman of board, First National Bank, Chicago; B. M. Edwards, president, South Carolina National Bank, Columbia; H. Frederick Hagemann Jr., vice-president, The Boatmen's National Bank, St. Louis; W. L. Hemingway, president, Mercantile-Commerce Bank and Trust Co., St. Louis; James K. Lochead, president, American Trust Company, San Francisco; J. Reed Morss, president, Boston Five Cents Savings Bank, Boston; R. B. Newell, president, Hartford (Connecticut) National Bank and Trust Company; William C. Potter, chairman of executive committee, Guaranty Trust Company, New York; Frank C. Rathje, chairman of board and president, Chicago City Bank and Trust Company; Tom K. Smith, president, The Boatmen's National Bank, St. Louis; Charles E. Spencer Jr., president, First National Bank, Boston; Robert Strickland, president, Trust Company of Georgia, Atlanta; A. L. M. Wiggins, president, Bank of Hartsville, Hartsville, South Carolina, and William R. Kuhns, editor of BANKING, secretary.

A.B.A. Committee on War Bond Drives

Tom K. Smith, chairman; L. M. Arnold; Harry C. Carr, president, First National Bank, Philadelphia; Allan Forbes, president, State Street Trust Company, Boston; Shirley S. Ford, president, Northwestern National Bank, Minneapolis; H. F. Hagemann; Francis M. Knight, vice-president, Continental Illinois National Bank & Trust Company, Chicago; Mills B. Lane Jr., first vice-president, Citizens & Southern National Bank, Atlanta; Oliver G. Lucas, president, The National Bank of Commerce in New Orleans; George R. Martin, vice-president, Security-First National Bank, Los Angeles; John A. Reilly, president, Second National Bank of Washington, D. C.; Robert W. Sparks, vice-president, Bowery Savings Bank, New York, representing savings banks; and Mr. Kuhns, secretary.

A.B.A. State War Loan Chairmen

Alabama, Gordon D. Palmer, president, First National Bank, Tuscaloosa; *Arizona*, Sylvan Ganz, executive vice-president, First National Bank of Arizona, Phoenix; *Arkansas*, Charles A. Gordon, vice-president, cashier, and trust officer, Simmons National Bank, Pine Bluff;

Southern California, Frank L. King, president, The California Bank, Los Angeles; *Northern California*, Carl F. Wente, senior vice-president, Bank of America N. T. and S.A., San Francisco; *Colorado*, Roblin H. Davis, president, Denver National Bank; *Connecticut*, Lester E. Shippee, executive vice-president, Hartford-Connecticut Trust Company, Hartford;

Delaware, J. Gordon McMillan, president, Claymont Trust Company, Claymont; *District of Columbia*, Thomas J. Groom, president, Bank of Commerce and Savings, Washington;

Florida, George G. Ware, chairman of board and president, First National Bank, Leesburg;

Georgia, David J. Arnold, vice-president, Commercial Bank & Trust Co., Griffin;

Idaho, J. L. Driscoll, president, First Security Bank of Idaho N. A., Boise;

"We hired her for the transit department, so she arrived for work in a conductor's uniform!"



Illinois, George R. Boyles, president, Merchants National Bank in Chicago, Chicago; *Indiana*, Otto N. Frenzel, president, Indiana Trust Company, Indianapolis; *Iowa*, V. W. Johnson, president, First National Bank, Cedar Falls;

Kansas, Herbert W. Jacobs, president, Central National Bank, Junction City; *East Kentucky*, W. H. Courtney, chairman of board and president, First National Bank & Trust Co., Lexington; *West Kentucky*, S. Albert Phillips, vice-president, First National Bank, Louisville;

Louisiana, A. R. Johnson Jr., vice-president, City National Bank, Baton Rouge;

Maine, Russel B. Spear, chairman of board and president, Depositors Trust Company, Augusta; *Maryland*, F. Ross Myers, vice-president, Frederick-town Savings Institution, Frederick; *Massachusetts*, Henry J. Nichols, vice-president, National Shawmut Bank, Boston; *Michigan*, R. E. Reichert, president, Ann Arbor Bank, Ann Arbor; *Minnesota*, H. R. Kurth, president, Citizens Bank, Hutchinson; *Mississippi*, Frank R. McGeoy Jr., president, Bank of Greenwood, Greenwood; *Missouri*, C. Frank Knox, vice-president, Union National Bank, Springfield; *Montana*, H. E. Olsson, vice-president, Ronan State Bank, Ronan;

Nebraska, R. I. Stout, president, First National Bank, Tekamah; *Nevada*, W. W. Hopper, president, First National Bank of Nevada, Reno; *New Hampshire*, Norwin S. Bean, president, Manchester National Bank, Manchester; *New Jersey*, William J. Dwyer, president, Bergen Trust Company of New Jersey, Jersey City; *New Mexico*, E. C. Smith, vice-president, International State Bank, Raton; *Downstate New York*, George S. Mills, vice-president, Commercial National Bank & Trust Company, New York; *Upstate New York*, Louis G. Meurer, Jr., assistant treasurer, Marine Trust Company of Buffalo; *North Carolina*, J. N. Coburn, executive vice-president and cashier, Waccamaw Bank & Trust Company, Whiteville; *North Dakota*, A. C. Idsvoog, Grafton National Bank, Grafton; *Ohio*, Paul M. Eliot, executive vice-president, Farmers Savings and Trust Company, Mansfield;

Oklahoma, R. W. Hutto, president, Security National Bank, Norman; *Oregon*, M. W. Rice, assistant vice-presi-

(CONTINUED ON PAGE 116)



Where were you in '72?

Just a twinkle in grandfather's eye, no doubt—when Rand McNally was already starting to serve bankers. For 1872 was the year in which the first Rand McNally Bankers Directory (the Blue Book) was issued—and enthusiastically adopted by banks, commercial concerns and investment bankers to fill a long-felt need. In these 73 years, the valuable services Rand McNally extends to bankers have grown and widened. The most outstanding among them are illustrated and described in the panel below.

Rand McNally Banking Services



The banker's Blue Book since 1872. Fingertip information about banks everywhere. 2,600 pages; completely revised every six months.



First published in 1883 to help keep bankers informed and up to date on current banking methods and procedures.



Rand McNally textbooks dealing with approved methods of bank management have aided bank executives and employes since 1929.



As official numbering agent of the American Bankers Ass'n, Rand McNally Bankers Directory has published the official "Key" since 1911.



Most recent service (since 1938) is the supplying of complete savings club materials. This is backed by our long association with banks and experience in the specialized field of numbered printing.

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Oldest publishing house of its kind serving the banking industry today

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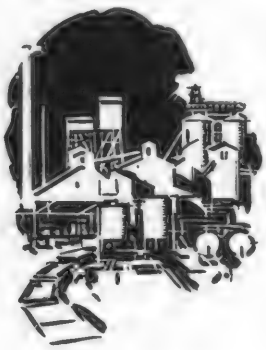
A Bretton Woods Formula

(CONTINUED FROM PAGE 35)

America? We are a wealthy nation." May I call your attention to the fact that a couple of years ago all of us believed that we could feed ourselves and the world, if necessary, during this war, but in recent weeks we have been shocked by the realization that even we can run short of food—a thing we thought we had in great abundance. The President has set up a committee to control our exports, and has just asked us to tighten our belts.

We can't go on lending dollars indefinitely. We have lost more than two billions of our gold during the war, while our liabilities have vastly increased.

We want to do all we can within our means to help the world toward recovery. We believe we can attain the objectives of Bretton Woods at half the cost. By doing so we help to maintain the stability and integrity of the American dollar, which is now the financial anchor for the world.



Businesses needing minerals for light metals will find them in abundance down in Texas. And Houston is the logical point for post-war expansion. But for banking in any field, you will find First National especially fitted to handle your business in this area because it is so closely identified with the progress of Houston and Texas. Your account is invited.

First National Bank
In Houston

MAIN OR FANNIN AT FRANKLIN

MEMBER FEDERAL DEPOSIT INS. CORP.



Investors Mutual, Inc.

Prospectus on request from Principal Underwriter

INVESTORS SYNDICATE

MINNEAPOLIS, MINNESOTA

REPRESENTATIVES IN THE PRINCIPAL CITIES OF THE UNITED STATES

A.B.A. War Loan—Cont.

dent, United States National Bank, Portland;

Pennsylvania, T. C. Swarts, executive vice-president, Woodlawn Trust Company, Aliquippa;

Rhode Island, Everett S. Hartwell, first vice-president, Industrial Trust Company, Providence;

South Carolina, John B. Sloan, president, The County Bank, Greenwood; *South Dakota*, T. N. Hayter, vice-president, First National Bank & Trust Co., Sioux Falls;

Tennessee, T. L. Cathey, president, Peoples and Union Bank, Lewisburg; *Texas*, Edward H. Winton, president, Continental National Bank, Ft. Worth;

Utah, Edgar A. Bering, vice-president, Walter Bank & Trust Co., Salt Lake City;

Vermont, Earle A. Boyce, vice-president and treasurer, Proctor Trust Company, Proctor; *Virginia*, W. A. Roper, president, Bank of Commerce and Trusts, Richmond;

Washington, Cecil E. Jenks, vice-president, Peoples National Bank of Washington, Seattle; *West Virginia*, George M. Moore, executive vice-president, Union National Bank, Clarksburg; *Wisconsin*, Walter Kasten, president, First Wisconsin National Bank, Milwaukee; *Wyoming*, George J. Forbes, vice-president, First National Bank, Laramie;

Alaska, J. F. Mullen, president, B. M. Behrends Bank, Juneau; *Hawaii*, George Waterhouse, president, Bishop National Bank of Hawaii, Honolulu; *Puerto Rico*, Carl B. Brunner, assistant cashier, Chase National Bank of the City of New York, San Juan.

MUTUAL SAVINGS BANKS ASSOCIATIONS A.B.A. WAR LOAN CHAIRMEN

Connecticut, Ralph W. Chapin, secretary-treasurer, State Savings Bank, Hartford; *Maine*, Allan Spear, treasurer, Bath Savings Institution, Bath; *Massachusetts*, J. Reed Morss, president, Boston Five Cents Savings Bank, Boston; *New Hampshire*, Norwin S. Bean, treasurer, Manchester Savings Bank, Manchester; *New Jersey*, Percy B. Menagh, executive secretary, New Jersey Savings Banks Association, Newark, and *New York*, Henry Bruere, president, Bowery Savings Bank, New York.

PERE MARQUETTE RAILWAY COMPANY

In 1944 American railroads carried approximately double the daily load of the peak year (1918) at the time of the first World War. Net earnings, however, did not keep pace with increased service. This is explained by the fact that wages and prices continued to increase, and tax rates were at the highest levels in history, whereas freight and passenger rates remained substantially at prewar levels.

The Pere Marquette shared in this general trend. Operating revenues in 1944 were the highest in its history, exceeding those of 1943, the previous record year, by 2.27%. The increase in operating expenses, however—owing principally to wage increases and increased daily hours of employees, and higher costs of fuel, materials and supplies—was more than three times the increase in operating revenues.

Net income before railway tax accruals, but after deducting interest on debt and other miscellaneous items, was $10,176,875 in 1944. This compares with net income before railway tax accruals of $12,231,861 in 1943, a decrease of $2,054,986, or 16.80%.

Due to higher operating costs, railway tax accruals in 1944 were 16.81% lower than those of 1943, and net income was lower in almost exactly the same proportion. Net income in 1944 of $3,012,076 was less by $607,444, or 16.78%, than that of 1943. In both 1944 and 1943 net income before tax accruals was divided in the same way, with 70% going for taxes and 30% for the use of the railroad.

DEBT REDUCTION AND 1945 REFINANCING—The policy of debt reduction established in 1942, and pursued vigorously ever since that time, has brought gratifying results. By the end of 1944 this debt-reduction policy had effected a decrease of $12,067,655 in First Mortgage debt and a reduction in interest charges of $562,333 on an annual basis. This reduction in debt and interest charges, coming simultaneously with one of the most favorable periods for financing in railroad history, made it possible in 1945 to sell an issue of $50,000,000 of 35-year First Mortgage Bonds at an interest rate of 3⅜%. The proceeds, together with treasury cash, were applied to the redemption of all of the outstanding $52,467,335 of bonds, which bore interest at the rates of 4%, 4½% and 5%. The interest saving resulting from this additional reduction in debt, combined with the substantial cut in interest rate on the remaining debt, brings annual interest charges on all debt, including equipment obligations, down to approximately $1,840,000, compared with more than $3,200,000 in 1941. Because of duplicate interest incurred during the 60-day period between the call and redemption dates of the old bonds, the full savings will not be realized in the first year.

OPERATING REVENUE—The Company's 1944 operating revenues were $56,302,777, an increase of $1,249,973, or 2.27% over 1943. Freight revenues of $49,771,833 were higher by $946,102, or 1.94%, than in 1943, whereas passenger revenues of $3,920,675 were higher by $235,936, or 6.40%, than in the previous year. The number of revenue ton miles (tons carried one mile) in 1944 were 5,719,000,000, compared with 5,768,000,000 in 1943, a decrease of .84%. The number of passenger miles (passengers carried one mile) in 1944 were 186,311,406, compared with 179,656,394 in 1943, an increase of 3.7%. Greatly increased civilian railroad travel resulting from war emergencies and necessitated by the continued shortage of gasoline and rubber, together with the heavy movement of inductees, accounted for the greater proportional rise of passenger traffic.

OPERATING EXPENSES — Operating expenses of $43,219,772 in 1944 represented an increase of $4,022,029, or 10.26% over the preceding year. Of this amount, payments for services increased $1,354,798; fuel expenses increased $217,272; material and supply expenses increased $616,794; and increased charges for depreciation, amortization and joint facilities substantially accounted for the remainder.

The operating ratio, or proportion of operating revenues required for operating expenses, was 76.76 as compared with 71.20 the previous year and 73.45 in 1942.

TAXES—While railway tax accruals in 1944 of $7,164,799 were lower by $1,447,542, or 16.81%, than in 1943, they exceeded by towering margins the total taxes for any other year of your railroad's history, prior to 1943. They were higher by $2,345,728, or 48.68%, than in 1942; by $3,761,410, or 110.52%, than in 1941; and by $4,202,604, or 141.87%, than in 1929.

United States and Canadian income and excess profits taxes amounted to $4,504,605, a decrease of $1,429,952 from 1943.

Total tax accruals amounted to 12.73% of operating revenues in 1944, as compared with 15.64% in 1943, 10.88% in 1942 and 6.11% in 1929.

Total tax accruals were 2.38 times net income in 1944, 2.38 times in 1943, 1.35 times in 1942, and 0.40 times in 1929.

RESEARCH — With rising wages and prices forcing operating costs higher, and with government regulation tending to maintain rates at relatively stable levels, earning power depends on constant improvement of operating efficiency. To research goes a considerable part of the credit for the ability to transport more than twice as many ton miles of freight in 1944 as in 1939 with only 1.4% more locomotives and 5.1% more freight cars.

As a further step toward strengthening this program of research, the Boards of Directors of Pere Marquette, Chesapeake & Ohio and Nickel Plate Road in December of last year joined in the establishment of a common Department of Research Engineering, which will initiate and conduct studies and experiments looking toward more efficient use of material, equipment and facilities. Through this move the three cooperating railroads are in a position to benefit from the most advanced developments in technological progress in all fields.

NEW INDUSTRIES AND THE POSTWAR ERA — During the three war years of 1942, '43 and '44, a total of 203 new industries have been established along the lines of Pere Marquette Railway. During this period, 87,001 cars of freight were handled on account of these industries, producing a revenue over the three-year period amounting to $8,680,263. During the year 1944 alone, 57 new industries were established, which accounted for 3,016 carloads of freight, producing a revenue of $230,705.

With a growing number of new industries added to those already firmly established in the territory served, and the prospect of a continuing proportional growth, in future years, of the railroad's so-called "overhead business," the postwar era, trafficwise, is not viewed with pessimism. In this connection, it is interesting to recall that following World War I the railroad carried more revenue ton miles of freight in 1919 than in 1918, and more in 1920 than in 1919.

It does not necessarily follow that this experience will be repeated, but it is reasonable to assume that a great deal of slack that may result from the cessation of wartime manufacture will be taken up by the large-scale production of goods and materials to meet pent-up civilian demands, rehabilitation and reconstruction requirements.

SOURCES AND DISPOSITION OF INCOME

Our income came from the following sources:

	1944	1943	Increase or Decrease
Revenues from hauling freight other than coal and coke	$43,552,621.47	$42,761,911.98	$ 790,709.49—I
Revenues from hauling coal and coke	6,219,211.10	6,063,819.09	155,392.01—I
Revenues from hauling passengers	3,920,674.57	3,684,738.27	235,936.30—I
Other transportation revenues	2,610,269.46	2,542,334.46	67,935.00—I
Dividends from stocks owned	99,274.73	56,801.50	42,473.23—I
Other income from non-railroad operations	786,444.43	722,343.06	64,101.37—I
Total	$57,188,495.76	$55,831,948.36	$1,356,547.40—I

We disposed of our income as follows:

Wages	$20,638,656.91	$19,283,859.16	$1,354,797.75—I
Materials, supplies, and fuel	9,081,134.61	8,247,069.00	834,065.61—I
Railway tax accruals, other than Federal and Canadian tax on income	2,660,194.30	2,677,783.98	17,589.68—D
Payments to contractors, associations, other companies, and individuals for services and expenses	5,804,110.09	4,667,594.23	1,136,515.86—I
Rent for equipment of others used by us, less amounts received from others	142,351.09	199,846.11	57,495.02—D
Rentals and expenses paid for facilities used jointly with others, less amounts received from others	3,893,266.40	3,459,851.98	433,414.42—I
Interest on funded debt	2,721,065.39	2,934,113.96	213,048.57—D
Other interest	1,755.57	57,943.95	56,188.38—D
Depreciation, amortization, and retirements	4,729,280.72	4,749,809.10	20,528.38—D
Total	$49,671,815.08	$46,277,871.47	$3,393,943.61—I
Net Income before Federal and Canadian income and excess-profits taxes	$ 7,516,680.68	$ 9,554,076.89	$2,037,396.21—D
Federal and Canadian income and excess-profits taxes	4,504,605.00	5,934,557.29	1,429,952.29—D
Balance remaining for other corporate purposes	$ 3,012,075.68	$ 3,619,519.60	$ 607,443.92—D

The above are summary excerpts from our current Annual Report. Any stockholder failing to receive a copy of the Report will be furnished one on request to the Secretary, Terminal Tower, Cleveland, O.

THE HAMMERMILL COLUMN

Two months after a soldier was killed in Normandy on D-Day his widow came to the U. S. Secret Service and timidly asked why she had not received a check from the Government. She had a dispossess notice from her landlord in her pocket.

* * *

Investigation showed that a check for the six months' pay to which she was entitled had been promptly sent her. But she had never seen it. It had been stolen from the mailbox in her home. The thief had forged her name to the check and cashed it at a department store.



The files of the Secret Service in the Treasury Department bulge with such case histories. Government checks are stolen in many ways, but most of them are lifted from flimsily locked mailboxes. Often they represent food and shelter for the payees. A pretty dirty and tragic business!

* * *

And it's likely to get worse. The Government sends out checks at the rate of 300,000,000 a year today. They go by mail to dependents of servicemen, to Social Security beneficiaries, to farmers and others. That's a golden opportunity for the check forgers.

* * *

But a check is just a piece of paper. It's no good to a crook unless he gets somebody to give him cash for it. If storekeepers and others who cash checks for strangers would take even the simplest precautions, this cruel racket would evaporate.



The Secret Service has done a magnificent job of prevention through its "Know Your Endorser" campaign. So has the A B A through its "Protective Bulletin" and other channels. But with the constantly growing flood of Government checks, they can reach only a few of the prospective victims.

* * *

Banks, too, forced to return bad checks to good customers, have also taken a vigorous hand in this educational campaign, considering it part of good public relations to do so.

* * *

Many of them have found that Hammermill's little folder, "7 Cautions on Cashing Checks," distributed in cooperation with the Secret Service, is very helpful.

* * *

More than a million of these folders have been distributed by over 4000 banks to their customers who cash checks. If you'd like a supply, let us know. There's no obligation. No salesman will call. (Please mention this magazine.) Hammermill Paper Company, 1524 East Lake Road, Erie, Pa.

Round-Up of Top Forgers

THE arrest of three check swindlers and the recapture of two others who escaped from prisons remove all the top threats to banks from crooks active in recent years in the forgery and worthless check rackets. They are Alexander D. L. Thiel, alias Major Arthur Maclay (5614), Jesse S. Comer (6582), Hugh Weller Hopkins (4090), William Hagen Harkins (4286), and John F. Box, Jr. (5708).

The arrest deserving highest honors is that of Alexander D. L. Thiel, our much publicized "Mr. X," who was returned to New York City by Federal authorities on March 28. The Federal Bureau of Investigation identified and located him in the United States Public Health Hospital at Lexington, Kentucky, where he was serving a sentence imposed last June in Chicago upon conviction on a charge involving narcotics. During the past 12 years, banks alone lost more than $125,000 on his forged checks, by cashing them over the counter or paying them through the clearings.

The Federal Bureau of Investigation also recaptured John F. Box, Jr., a worthless check passer, who escaped on February 27 from Retrieve Prison Farm at Snipe, Texas. He was quickly traced to Detroit, Michigan, where on March 3 he was taken into custody while at a hotel bar. During a few months in 1943, Box defrauded more than 26 banks in at least 12 cities with bogus pay checks ranging in amounts from $143.10 to $250. They were ostensibly issued by airline companies of which he claimed to be vice-president. This elusive crook was arrested in Dallas, Texas, on August 9, 1943 through a warning circulated among hotels by The William J. Burns International Detective Agency. Bunching his hits in some cities, Box "scored" on three to five banks in two hours.

The other escaped convict was recaptured in New York City on January 18 through good sleuthing and coordination of New York City and San Francisco police authorities in cooperation with our agents, the Burns Detective Agency. He was the veteran forger William Hagen Harkins who maneuvered his way out of a San Francisco County jail on December 19, 1944. Dating back to 1918, his criminal record includes six escapes from various prisons and charges of passing forged and worthless checks in amounts up to $2,880. He defrauded about 200 banks.

Jesse S. Comer was arrested on February 9 in Jacksonville, Florida, upon being located by the Burns Agency, and turned over to city police. Within eight months he defrauded 43 banks of more than $8,000. Comer was sentenced to 30 years in the Florida State Prison.

The arrest of Hugh Weller Hopkins followed on March 14 in Louisville, Kentucky, by local police. Within 24 hours more than 15 charges of forgery were reported against him from nearby cities and other warrants and indictments to follow are expected to double or triple that number.

Women tellers are credited with initiating activities that led to the last two arrests. Miss Charlotte Balkcom, teller of the Atlantic National Bank in Jacksonville, sensed that something was wrong when a gentleman made a deposit with duplicate slips and presented a check to be cashed but left in quite a hurry when she turned to their depositors' signature cardfile. From the A.B.A. *Protective Bulletin* that gentleman was later identified as Jesse S. Comer and promptly reported to the local office of the Burns Agency. The other teller is Mrs. Mabel Miles of the Louisville Trust Company, to whom Hugh Weller Hopkins gave a pack of cigarettes and said he didn't smoke. Despite having heard all about not looking a gift horse in the mouth, Mrs. Miles couldn't resist the temptation to make an exception and looked Hopkins over more than casually. A word to her superior officer was sufficient to cause Hopkins to be held for the police after he too was identified from the *Bulletin* as a "wanted" man.

J. E. BAUM

American soldiers on Luzon loading Filipino and American currency into a truck after the coins had been blown from a vehicle hit by artillery fire



PRESS ASSOCIATION



又一大銀行

● Chinese characters meaning "Another leading bank."



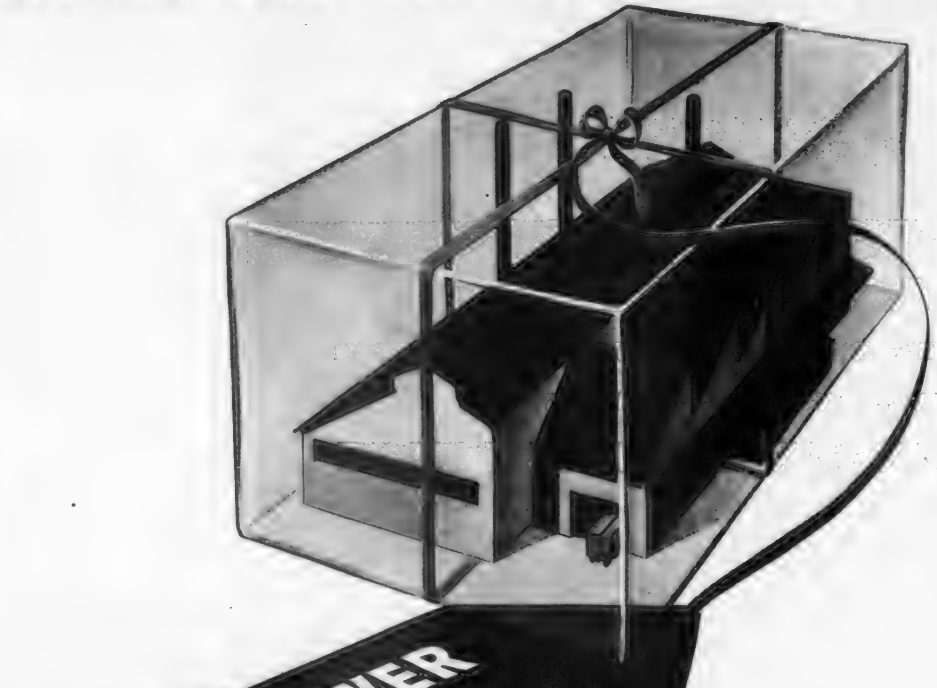
● Street scene in war-torn Chungking. *At right* —Check issued by the Central Bank of China.

Another leading bank using Hammermill Safety

There is a dramatic story behind the cashier's check pictured above. It was issued in Chungking by the Central Bank of China and delivered to the First National Bank in Erie, Pennsylvania. The paper—Hammermill Safety—on which it is printed was manufactured by Hammermill in Erie. It returned to the city of its origin, with speed unknown in pre-war times, to complete its mission. This is another reminder that you will find Hammermill Safety almost anywhere in the world.



MAKE THIS PLANT PART OF YOUR PRODUCTION LINE!



How can I get into post-victory production faster?

THE Martins Ferry Division of Blaw-Knox Company offers you a complete "production package," ready, able and willing to assume full responsibility for turning out all or part of your product.

The entire efforts and facilities of this division have been devoted solely to mass production of complex armament for the U. S. Navy, and this division can give its undivided attention to your work when the War is won. The engineering staff and nearly 3,000 skilled men and women working with the most modern equipment will take you "over the hump" of reconversion without capital expenditure—without loss of time.

Our engineers will gladly discuss with you the advantages of employing an auxiliary manufacturer to cope with the problems that lie ahead . . . Write for an interview at your convenience.

To help win the war is our first objective. Until that is assured, ordnance material is the order of the day. Do you need help? If so, get in touch with us at once!



This plant occupies 23 acres, providing 315,000 sq. ft. of manufacturing floor space, two spur tracks, loading dock and receiving platform, capable of holding six cars on loading platform, two under cover at receiving platform and five on the outside. Martins Ferry Division of Blaw-Knox Company is located at Martins Ferry, directly across the Ohio River from Wheeling, W. Va.

OTHER BLAW-KNOX DIVISIONS

Blaw-Knox Division, Blawnox, Pa.
Lewis Foundry & Machine, Groveton, Pa.
Power Piping, Pittsburgh, Pa.
Columbus Division, Columbus, O.
Special Ordnance, York, Pa.
Pittsburgh Rolls, Pittsburgh, Pa.
Union Steel Castings, Pittsburgh, Pa.
National Alloy Steel, Blawnox, Pa.
Blaw-Knox Sprinkler, Pittsburgh, Pa.



MARTINS FERRY DIVISION of

BLAW-KNOX CO.

MARTINS FERRY, OHIO

ADDRESS DEPT. A-2

Veterans' Loans

MEETING in an intensive, two-day session at Chicago March 30–31, the A.B.A. Committee on Service for War Veterans reviewed the progress made since its organization meeting last October, considered proposed changes in the GI bill and the regulations issued under it, and enlarged and intensified its program for banker and veteran education regarding the loan provisions of the bill and other financial services to the veteran.

Sitting with the Committee were A.B.A. President W. Randolph Burgess and Vice-president Frank C. Rathje, while representatives from the Army, Navy, and Veterans Administration were on hand to report activities of their units and to continue their close cooperation with banking in the sphere of veteran affairs.

Much of the meeting was devoted to a consideration of the proposals that had been submitted by banks and others for the purpose of clarifying and strengthening sections of the Servicemen's Readjustment Act and simplifying and speeding the procedure under which loans are handled.

THE objectives sought in most of these suggestions were found to be included in two bills introduced by Senator Johnson of Colorado. This was particularly true of Bill S.738. Provisions in this omnibus bill that the Committee believed would make the act more workable and operate for the benefit of the veteran include extension of the time in which a veteran may apply for a loan; the granting of business loans for the purchase of merchandise, construction, alteration and repair of property; the purchase of stock in corporations and shares in partnerships. Supplies may be purchased through farm loans. Also included is a provision for insuring business loans by the Veterans Administration on a blanket basis, up to 15 per cent of the total sum of credits insured, an arrangement similar to Title I of the Federal Housing Act, and one that can be used as an alternate for the 50 per cent guaranty.

The second bill, S.795, applies to national banks and has been construed to contemplate the suspension of Section 24 of the Federal Reserve Act in connection with veteran loans.

Action on these bills and other legislation affecting the GI act was referred to the Association's Committee on Federal Legislation.

Education of the veteran and the banker regarding the intent of the bill and the steps by which it is carried into operation will continue to occupy a large part of the program of the Public Relations and General Service Committee. Experiments having proved successful, a systematic plan is being arranged whereby Army counselors will receive information from bankers regarding the loan provisions while still undergoing training. This information program will be extended to include counselors at all separation centers.

Quick-reading, simple guides to GI loan procedure are being prepared for distribution to bankers. These will make use of diagrams, charts and other illustrative material so that the steps that must be taken under the bill will be pictured as well as explained.

Through the use of specimen talks on various phases of the GI bill, which will soon be made available through state association secretaries, a large audience represented by members of service groups, veteran organizations and other groups will be covered by bankers.

WHILE much work was being done at the national level, emphasis will continue to be placed by the Committee on activity by state association committees for veteran service. Already more than 17 such committees are in operation and 10 others are in process of formation. These groups are expected to work in close cooperation with the state representatives of government agencies and state leaders in veteran organizations.

In addition to the community information centers, banks in some cities have created special offices to process loan applications, and in one city, Philadelphia, a separate corporation has been created by the local banks for the purpose of making GI business loans.

In discussing banking activities at the local level the committee reiterated the statement of principles set forth at its first meeting: namely, that it is the responsibility of the individual bank to assume willingly and to discharge faithfully its duties to returning veterans who may be in need of financial services of any kind.

The results of a survey of representative banks designed to reveal plans for reemploying and retraining service people when they return to banking will be released soon, accordingly to the Subcommittee on Personnel.



HONOR ROLL PLAQUES

Dignified Tributes to Your Men in the Services

These Victory Cast Honor Rolls with raised letters present impressively the names of those you would honor. Cast in a material that both looks and feels like Bronze.

Send for illustrated literature

[Arrange now for Postwar BRONZE TABLETS. Avoid delay later]

UNITED STATES BRONZE SIGN CO., INC.

"Bronze Tablet Headquarters"

568 Broadway, New York 12, N. Y.

80th ANNIVERSARY



FIRST ATLANTIC CABLE

● The memories of eight decades are strong as Millers National Insurance Company marks its eightieth anniversary in 1945. Among them is remembrance of Cyrus Field's perseverance in completing the first successful transatlantic cable in 1866 . . . when Millers National already was one year old.

Illinois Fire was founded in 1876. Next time specify one of these established, time-tested fire companies.

MILLERS NATIONAL *Insurance Company*

ILLINOIS FIRE *Insurance Company*

HOME OFFICE CHICAGO

VERSATILITY

The mightiest of Continental Red Seal Engines has 4,000 times the horsepower of the smallest Continental engine, and therein lies a story of versatility in power engineering which is most astonishing.

The big fellow is one of Continental's newest developments, and establishes a new milepost in power progress.

The little chap is Continental's Tiny Tim, a portable midget of 5/8 horsepower for charging batteries and for operating lights and radios. In its compactness, convenience and efficiency it, too, has also marked a milepost in power design and utility.

Although one is a kitten and the other a lion, both have the same Red Seal parenthood, and that's the point to bear in mind. For here are two extremes in power engineering . . . the extreme in simplicity and the extreme in complexity, and separated by a difference of 4000% in power rating.

And yet the problems inherent in each were taken in stride by Continental, showing that no power job is too small nor none too great to apply its know-how in reaching new goals in power perfection.

This extreme versatility in power engineering, combined with our uncanny capacity for meeting seemingly impossible production schedules, has made Continental the power headquarters for over fifty different, highly specialized applications in the nation's war machines.

This versatility, sharpened by the urgencies of war, is now poised for peacetime action. If a postwar product can be benefited by more efficient, more economical engine power, then Continental is definitely the place to bring that problem. What you'll get is the "Power to Win," the same as has our nation.

C. J. REESE, President

Continental Motors Corporation
MUSKEGON, MICHIGAN

Banks and the Seventh War Loan

(CONTINUED FROM PAGE 43)

Sale of War Bonds to Farmers

In line with the A.B.A.'s program of encouragement to farmers to build financial reserves, President Burgess sent a letter to all banks calling their attention to the fact that American farmers already have invested nearly $4 billion in War Bonds and urging bankers to see that their farm customers "invest heavily in War Bonds to provide them with a sound backlog of financial reserves for the post-war needs," stating that "this is an essential part of the A.B.A.'s program to keep agriculture financially sound."

The need for reaching farmers in the Seventh War Loan campaign was further emphasized by C. W. Bailey, chairman of the A.B.A.'s Agricultural Commission and president of the First National Bank of Clarksville, Tennessee, who sent an appeal to all county key bankers, suggesting the holding of agricultural meetings in every county in the nation prior to the opening of the seventh drive. The triple purposes of such meetings, he explained, would be to show how the purchase of War Bonds by farmers is related to the whole program of maintaining financial reserves and to give consideration of other topics of importance, such as farm land prices and problems of returning servicemen who want to farm.

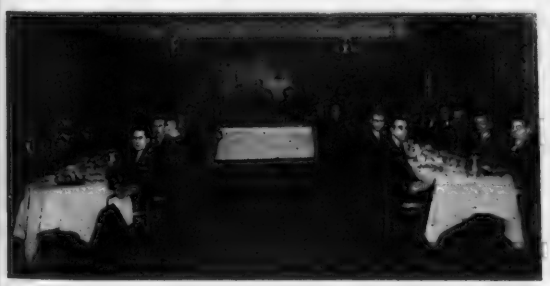
In addition, a letter was sent to directors of Extension of Agricultural Colleges, pointing out that in order for these meetings to succeed the county key bankers would need the cooperation and active assistance of county agents and asking that they be authorized to participate.

In a message to President Burgess commending the banks for their assistance in previous War Loan drives, Ted R. Gamble, national director of the War Finance Division of the Treasury asked "for an even greater contribution in the Seventh War Loan," stating that "there are thousands of people who will not, and cannot, be reached" through payroll deductions, such as "the farmers, the self-employed, those on retirement income, professional people, etc."

"The key to reaching these depositors," Mr. Gamble said, "lies in intensive face-to-face solicitation by bankers."

The bankers have given their full measure of support and assistance in six previous War Loan campaigns, and they will do it again!

Agriculture Meeting



One of the first agricultural meetings reported was sponsored by the banks of Roanoke, Virginia, and attended by 43 bankers and agricultural professional workers. *Standing, l. to r. in picture,* Elizabeth Sprouse, demonstration agent; J. S. Brown, president, Farmers National Bank, Salem, Va.; Dorothy Parker, FSA supervisor; W. M. Early, Jr., cashier, Bank of Salem; Audrey Guthrie, home economics teacher; H. G. Robertson, president, Liberty Trust Bank, Roanoke; and M. G. Via, county key banker, First National Bank of Roanoke. Local press gave generous space to reports of this meeting

FOREIGN REMITTANCES

Banks with or without Foreign Departments are invited to utilize this Bank's special facilities for commercial and benevolent payments abroad, and for the drawing of drafts under the Bank's protection.

Our 36 years' experience is available for assisting banks to establish or extend their remittance service, and we are prepared to furnish complete information regarding money transfers that can be made now to Allied, Neutral and Liberated Countries. *Inquiries for detailed information are welcomed.*

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Postal Notes

THE March issue of BANKING contained an article, "The New Postal Notes." Regulations concerning the issue of notes were discussed, one of which is that the postal note will not be paid when presented for payment if the paying office coupon is not attached. It was also stated that banks were complaining that the paying office coupon was too readily detached and banks were having difficulty with them.

The Bank Management Commission immediately brought this defect to the attention of the postal authorities and was assured the matter would be corrected in the manufacture of the next supply of notes.

A Postal Bulletin dated February 20, 1945, contained the following instructions which have been sent to post offices of all classes:

"Due to a manufacturing defect, an increasing number of postal notes are being presented for payment from which the paying office coupon has become detached and lost. Steps are now being taken to correct the defect which will result in the coupon being more firmly attached to the note. In order not to inconvenience the public, paying postmasters are hereby authorized to cash postal notes from which the paying office coupon is missing."

THE CHESAPEAKE & OHIO RAILWAY COMPANY

OPERATIONS DURING 1944

In 1944, as in 1943, the operations of the C & O were linked closely with the prosecution of the war.

All demands of the government for transportation were met—where, when and under the conditions requested, including the movement of large numbers of troops, prisoners of war, great quantities of military matériel, ammunition and supplies, and hospitalized veterans returning from the fronts.

The greatest volume contribution of the C & O to the conduct of the war was its principal peacetime function — the moving of coal from mine to destination.

In 1944, every mine on the C & O lines was able to ship its product the day it was brought above ground. No mine-worker lost a single day's work for lack of a C & O car to take his output.

REVENUE AND PROFIT

Most of the railroads, in 1944, had a year of greater traffic volume, larger operating revenues—and lower profits. C & O operating revenues were up 3.85 per cent over 1943. At the same time, operating expenses increased 18.97 per cent, chiefly because of added costs of handling the increased volume of traffic, higher cost of labor and materials, and increased amortization charges. As a result, net income after taxes was off 12.81 per cent (as compared with a general average decline in net income after taxes for all Class I roads of 24 per cent).

Major factors affecting 1944 earnings and the earnings outlook for 1945 are outside the C & O's control. Others flow directly from the war, and the dense traffic volume resulting from it.

Labor costs alone last year were almost $10 million more than in 1943. Price increases in materials, fuel and supplies were substantial. Retirements, depreciation and amortization charges on new equipment, and road improvements made to enable the C & O to meet the war demands put upon it, increased $4,005,402—and will increase further in 1945.

Yet there is no compensating rise in the price of the transportation sold. The ICC suspended freight rate increases, which it had previously authorized and, over the protest of the carriers, ordered the continuance of this rate suspension until January 1, 1946.

Taxes will take almost two-thirds of every dollar of net income earned before taxes in 1944. The excess profits tax will take 95 cents out of every net income dollar in excess profits tax brackets (subject to a 10-per-cent postwar credit).

RESEARCH AND DEVELOPMENT

C & O's management believes that one of its obligations is to take aggressive steps to meet the intensified postwar competition by contributing to the development of improved and more efficient technology, designs and methods. It has expanded the scope of its technological research and development program, and will put into operation the world's first coal-burning, steam-turbine-powered, electrically driven locomotives. Chesapeake & Ohio believes these locomotives constitute a distinct improvement both in technology and economy of maintenance over all existing types of steam and Diesel road locomotives. Exceptionally well suited to hauling fast troop trains, these locomotives of revolutionary design, will ultimately power a new C & O streamlined passenger train, to be built when materials become available.

Because of their tremendous war accomplishments, the railroads deserve well of the American people and of their legislative representatives—to the end that they may contribute as mightily to the realization of a strong postwar economy as they are doing to the successful prosecution of the war.

SOURCES AND DISPOSITION OF INCOME

	1944	*1943*	*Increase or Decrease*
Our income came from the following sources:			
Revenues from hauling coal and coke freight	$118,095,390	$114,460,373	$ 3,635,017—I
Revenues from hauling other freight	66,781,322	64,667,766	2,113,556—I
Revenues from carrying passengers	23,506,847	21,669,414	1,837,433—I
Other transportation revenues	8,152,689	7,714,982	437,707—I
Rent from equipment used by others, less amounts paid to others	6,117,586	6,059,731	57,855—I
Dividends from stocks owned	989,141	849,084	140,057—I
Other income from non-railroad operations	978,224	1,046,360	68,136—D
Total	$224,621,199	$216,467,710	$ 8,153,489—I
We disposed of our income as follows:			
Wages	$ 80,618,715	$ 70,754,903	$ 9,863,812—I
Materials, supplies, and fuel	27,668,892	22,318,293	5,350,599—I
Railway tax accruals, other than federal income and excess profits tax	12,316,760	11,634,007	682,753—I
Payments to contractors, associations, other companies, and individuals for services and expenses	5,830,716	3,647,584	2,183,132—I
Rentals and expenses paid for facilities used jointly with others, less amounts received from others	4,552,104	4,071,803	480,301—I
Interest on Funded Debt	7,053,857	7,296,452	242,595—D
Other interest	4,910	51,639	46,729—D
Depreciation, amortization, and retirements	20,396,060	16,390,658	4,005,402—I
Total	$158,442,014	$136,165,339	$22,276,675—I
Net income before federal income and excess profits taxes	$ 66,179,185	$ 80,302,371	$14,123,186—D
Federal income and excess profits taxes	38,838,190	48,943,691	10,105,501—D
Net Income	$ 27,340,995	$ 31,358,680	$ 4,017,685—D
Disposition of the Net Income was as follows:			
Appropriations for Sinking and other Reserve Funds	$ 501,715	$ 506,548	$ 4,833—D
Dividends paid on Preference Stock, Series A	.....	457,581	457,581—D
Dividends paid on Common Stock	26,800,739	26,800,739	.....
Balance remaining for other corporate purposes	38,541	3,593,812	3,555,271—D

1944 In Brief

	1944	*1943*	*1942*
Operating Revenues (MILLIONS OF DOLLARS)	217	209	182
Operating Expenses (MILLIONS OF DOLLARS)	137	115	95
Operating Ratio	63.2%	55.2%	52.5%
Net Operating Revenues (MILLIONS OF DOLLARS)	80	93	86
Taxes (MILLIONS OF DOLLARS)	51	61	50
Net Income (MILLIONS OF DOLLARS)	27	31	33
Dividends (MILLIONS OF DOLLARS)	27	27	27
Revenue Ton Miles (MILLIONS)	28,743	27,548	25,556
Revenue Per Ton Mile (CENTS)	0.64	0.65	0.64
Wages (MILLIONS OF DOLLARS)	81	71	60
Earnings Per Common Share (DOLLARS)	3.57	4.04	4.25
Taxes Per Common Share (DOLLARS)	6.69	7.92	6.53
Dividends Per Common Share (DOLLARS)	3.50	3.50	3.50
Times Fixed Charges Earned	4.84	5.24	5.11

The above are summary excerpts from our current Annual Report. Any stockholder failing to receive a copy of the Report will be furnished one on request to the Secretary, Terminal Tower, Cleveland, O.

NICKEL PLATE ROAD

The New York, Chicago and St. Louis Railroad Company

DURING 1944, the heaviest demands in history were made on the nation's railroads for both freight and passenger traffic. In contributing its share to the hauling of this load, the passenger, mail and express services of the Nickel Plate rose to all-time highs.

FINANCIAL EXPERIENCE. Operating revenues of the Nickel Plate for 1944 were slightly above the previous peak in 1943—$100,458,548 against $100,093,565. Operating expenses, however, were 11.05 per cent higher—due largely to higher wages, increased prices of materials and supplies and additional maintenance work undertaken.

Taxes amounted to $23,173,015—12.77 per cent less than in 1943. Accrued taxes for the past three years, however, have amounted to $72,600,000 — a sum approximately 25 per cent of the operating revenues for that period.

Net income for 1944 was $7,225,924 — compared with $9,188,026 in 1943—a decrease of 21.35 per cent.

1944 DEBT REDUCTION AND REFINANCING. During the year, two important financial transactions resulted in the elimination of the Company's 1947 and 1950 maturities and the reestablishment of its credit. The first of these was the sale of a $10 million five-year collateral note under competitive bidding at an interest rate of 1.745 per cent per annum. The proceeds, together with treasury cash, were applied to the retirement of $15,188,000 of Nickel Plate First Mortgage 3½ per cent bonds. This transaction improved the lien position of the Refunding Mortgage and enabled the Company to sell at competitive bidding $42,000,000 of Thirty-Year Refunding Mortgage 3¾ per cent Bonds at 100.529. Approximately one-half of the new Bonds will be retired in advance of the maturity date through the operation of a sinking fund. The proceeds of these bonds, together with treasury cash, were applied to the retirement of the $10,000,000 collateral note, $26,058,000 Refunding Mortgage 5½ per cent Bonds, Series A, due April 1, 1974, and $6,500,000 Toledo, St. Louis and Western Railroad Company First Mortgage 4 per cent bonds due April 1, 1950. Because these transactions were not completed until after the end of 1944, they are not reflected in the financial statements for the year 1944.

The Company's mortgage debt now consists of a single Refunding Mortgage which is a first lien on all the Company's 1,659 miles of road owned and other property. There are now outstanding under this mortgage the new bonds and $59,875,000 of 4½ per cent Bonds due in 1978. Total debt, including equipment obligations, has been reduced to $118,553,917, a net reduction since 1936 of $41,789,984, or 26 per cent.

Compared with 1936 fixed charges of $7,502,000, annual fixed charges at the completion of the refunding operations above described will be approximately $4,660,000. The 4½ per cent Bonds of 1978 are callable at 102 and it is expected that plans for refunding them at a lower interest rate may be developed in the near future.

A total of approximately $8,600,000 in cash from the Company's treasury has been used or deposited for payment of the bonds and note and interest thereon to the redemption dates.

LOOKING TO THE FUTURE. The Company has expended from treasury funds more than $6,000,000 on road improvements since the beginning of 1941. At the close of the year 1944 the Company's property was in good serviceable condition.

The improvement program included the rebuilding and strengthening of bridges and the enlargement of engine repair facilities to make possible the operation over all of the Company's heavy traffic lines of the heavy freight locomotives acquired in recent years. The program has also included the installation of centralized traffic control at certain strategic points on the line, the construction and lengthening of passing sidings and yard tracks at various locations, and the construction of a complete west-bound classification yard at Frankfort, Indiana.

In addition to the road improvements, the Company has expended $20,713,732 since the beginning of 1941 for the following new equipment: 55 freight locomotives, 10 Diesel switching engines, 3,543 freight cars, and other miscellaneous equipment, all of which had been received and placed in operation at the end of 1944. Against certain of these units, $12,681,010 of equipment obligations were outstanding as of December 31, 1944; the difference of approximately $8,032,722 was supplied from the Company's treasury. In addition, the Company had on order at that time for 1945 delivery, 500 freight cars, 5 baggage cars, and two 250-ton wrecking derricks, which are estimated to cost approximately $2,030,000.

These additions and improvements have been an important factor in making possible the transportation of a record volume of traffic over the Nickel Plate during the war.

Along with its vigorous prosecution of measures designed to help win the war, the Company has been preparing to deal effectively with the many problems that will confront the road after the war. Among the objectives are freight and passenger services surpassing in excellence those prevailing before the war. Substantial cash expenditures for both maintenance and improvements will be required during the next few years to bring the railroad up to the desired standard.

SOURCES AND DISPOSITION OF INCOME

	1944	1943	Increase or Decrease
Our income came from the following sources:			
Revenues from hauling merchandise freight	$ 86,450,580.99	$ 87,022,207.39	$ 571,626.40—D
Revenues from hauling coal and coke freight	7,470,402.66	7,952,891.97	482,489.31—D
Revenues from carrying passengers	4,661,217.52	3,391,892.00	1,269,325.52—I
Other transportation revenues	1,876,347.28	1,726,573.90	149,773.38—I
Dividends from stocks owned	900,739.60	1,193,924.60	293,185.00—D
Other income from non-railroad operations	507,940.08	516,625.06	8,684.98—D
Total	$101,867,228.13	$101,804,114.92	$ 63,113.21—I
We disposed of our income as follows:			
Wages	$ 36,401,487.16	$ 33,742,561.80	$2,658,925.36—I
Materials, supplies and fuel	14,363,951.59	12,656,797.03	1,707,154.56—I
Railway tax accruals other than Federal income and excess profits taxes	4,434,015.20	4,064,020.19	369,995.01—I
Payments to contractors, associations, other companies and individuals for services and expenses	3,515,263.71	3,072,117.67	443,146.04—I
Rent for equipment of others used by us, less amounts received from others	4,768,678.74	5,100,310.34	331,631.60—D
Rentals and expenses paid for facilities used jointly with others, less amounts received from others	1,237,451.18	977,814.45	259,636.73—I
Interest on Funded Debt	5,280,371.73	5,587,098.32	306,726.59—D
Other interest	18,599.86	5,682.31	12,917.55—I
Depreciation, amortization and retirements	5,882,485.01	4,909,687.29	972,797.72—I
Total	$ 75,902,304.18	$ 70,116,089.40	$5,786,214.78—I
Net income before Federal income and excess profits taxes	25,964,923.95	31,688,025.52	5,723,101.57—D
Federal income and excess profits taxes	18,739,000.00	22,500,000.00	3,761,000.00—D
Net Income	$ 7,225,923.95	$ 9,188,025.52	$1,962,101.57—D
Disposition of the Net Income was as follows:			
Appropriations for Sinking and Other Reserve Funds	$	$ 98,852.50	$ 98,852.50—D
Balance remaining for other corporate purposes	$ 7,225,923.95	$ 9,089,173.02	$1,863,249.07—D

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EDITORIAL

THE CONDITION OF BUSINESS

By WILLIAM R. KUHNS

THE OUTLOOK. Spring finds American business in a mood for big changes and interesting developments. There is plenty of optimism curiously mingled with a feeling that it would be just as well not to examine too closely the face of the future, particularly the ultimate size of the national debt.

Many a new industrial plant, mechanical equipment, home, tractor, remodeled business structure, automobile, modern kitchen, college education, and trip around the world will be paid for out of war accumulated savings in one form or another. Thus in a sense we expect to use the cost of the war to help finance a period of progress and comfort after the war.

In round figures more than 100,000,000 individuals and business organizations are the owners of War Bonds, bank deposits and extra currency created by reason of the Government's war expenditures. The fact that this so-called wealth will now serve to build a new world gives the whole picture a believe-it-or-not character.

Straws

Here are a few straws, some large and some small, depending on where you sit. They are not all blowing in the same direction but may help to show why the outlook is promising and why, at the same time, optimism keeps its tongue in its cheek.

1. *National Debt.* It is evident on every hand that there was more concern about the national debt when it was $50,000,000,000 than there is now when it is nearing $300,000,000,000. If this logic continues to guide our thinking we can expect the last trace of anxiety about the matter to disappear before long, then we can go to town, or someplace.

2. *Victory.* Victory abroad is being accompanied by victory at home. Gone is the belief born in the long depression of the 30's that we had reached the end of the rope, economically speaking. The limitless opportunities ahead have become apparent and the expression "mature economy" is beginning to sound like something out of Ridpath's History of the United States.

3. *In Step.* Some of the good neighbor policy which we exported for many years is now being kept here for domestic consumption. There is no telling how long it will last but certainly the decline of suspicion and the rise of reasonableness among various groups are long overdue. An era of goodwill and understanding between all elements in the population now seems to be a real possibility.

4. *Newer and Faster.* The reconversion period offers us a good chance to indulge in our national habit of discarding the old and taking on the new. Every poll and survey tells the same story. Thousands of manufacturers are planning to make new products, sell to new markets, and use new methods of distribution.

Their accumulated reserves for depreciation and cash resources are uniformly large and available for improvements and expansion.

Faster and better transportation will make possible more decentralization of large industries than heretofore. Railroad people say the next few years will make history in their field and the motor transport group are not just rolling along enjoying the scenery. Towns and cities all over the country are building or planning airports.

New publications and information services are appearing which tell about improved methods, materials, machines and products.

5. *Foreign Outlook.* Our whole structure of foreign relations is also in the process of being remodeled. The demise of isolationism is being accompanied by the birth of a bouncing interest in the ownership of the West Indies and the Pacific Islands. We do not want more real estate to defend, nor do we feel like remaining mute with regard to the use of air fields and military establishments on these islands.

Partly because high speed transportation is making the earth a very small planet and partly because of reaction against warfare, the spirit of international cooperation is in the ascendancy. There is a prospect of more stable foreign exchanges and reviving trade. It remains to work out a formula for trade between a country where the government runs everything and the private citizens of a free country.

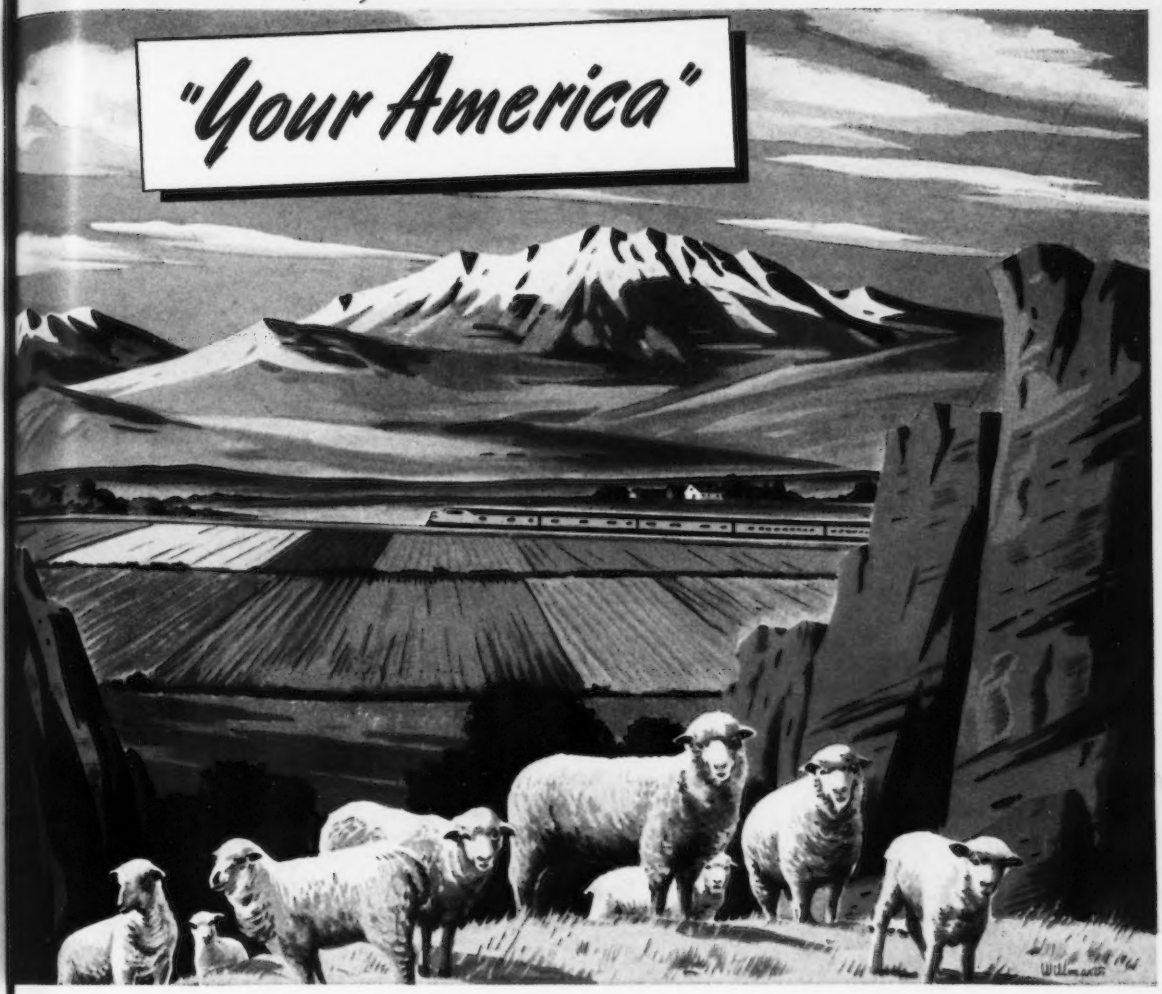
6. *Robins.* Among the robins heralding something or other are the reappearance of travel agencies offering accommodations to "all parts of the world"; the rising tide of inquiries to consulates, notably that of Australia, concerning emigration; the plans of ship and plane lines for enlarging their fleets for civilian use; the reopening of private flying schools; and the publication by the American Bankers Association of a manual on financing private airplane purchases.

7. *Money.* During the war the savers have saved, as usual, and the spenders have spent. The rise in volume of savings and time deposits has been far greater than the increase in the number of depositors.

Planned saving has received a tremendous impetus. Banks are finding wide public acceptance of services whereby depositors can lay aside money in War Bonds or saving accounts for later purchase of homes, cars, kitchens and other consumer durable goods.

More than 10,000 banks plan to engage in consumer lending after the war and there is little doubt that the volume of this credit will far exceed the pre-war level.

Not only in the consumer field but in industry, agriculture and real estate, there is adequate credit in the banks for every need of the transition period and after. Political credit and government guaranteeing of bank loans constitute two of the most serious questions ahead of us because political lending and freedom of opportunity and enterprise simply do not mix.



UTAH

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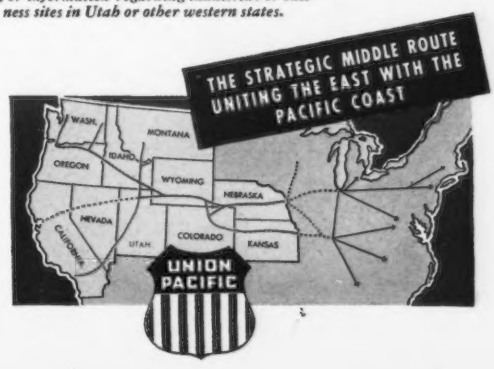
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